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A MENT TO THE SECOND

**投资**: --

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Published With The New York Times and The Washington Post

No. 32,895

PARIS, MONDAY, NOVEMBER 28, 1988

ESTABLISHED 1887

#### **New Saudi Demand** and a senior not be the idea by Threatens to Abort **OPEC Output Pact** Liceration to full presidents whose seeding

By Youssef M. Ibrahim New York Times Service

VIENNA - A last-minute demand by Saudi Arabia that the Organization of Petroleum Exporting Countries adopt a floor price of \$15 a barrel for its oil sales threatened 2. Reagan was concern who called by Sunday to unravel a delicate output agreement by OPEC and severely damage ties between Saudi Arabia

Iran vehemently opposed the proposal charging that it was a sharp departure from a more ambitions price target of \$18 a barrel previously agreed upon by mem-bers of the cartel. At least five other OPEC members, all of which are badly in need of higher oil reveinues, were also expected to resist the unexpected Saudi request.

#### Kiosk

#### Soviets Meet **Afghan Rebels**

ISLAMABAD, Pakistan (Reuters) — The Soviet Union held its first direct talks with Afghan rebels on Sunday in Pakistan. A Soviet Embassy statement said the two sides had discussed the release of Soviet soldiers taken prisoner by the anti-Communist guer-

The two rebel officials at the talks were relatively low-ranking members of the Jamiat-i Islami and Hezb-i Islami parties on the radical Islamic wing of the seven-party rebel alli-

MONDAY Q&A



Peter Palumbo, chairmandesignate of the Arts Council in Britain, discusses modern architecture and government's role. Page 2.

#### General News

Strands on the "social safety net" for poor Americans got thinner under Reagan. Page 3. Business / Finance

Orders for U.S. machine tools dropped 19.5 percent in Octo-

Page 11.

stance Sunday night, saying it would not back down.

The development brought a sudden chill to the tortuous negotia-tions over OPEC output levels, already in their 11th day, and could lead to a collapse of one of the cartel's longest and most crucial

meetings.

A failure by OPEC to rein in its production of about 23 million barrels a day will, most oil experts believe, cause oil prices to plunge by as much as \$3 to \$4 a barrel. "If the agreement sinks, you will have a substantial price decline immediately," said John Lichtblan, president of the Petroleum Re-

search Industry Foundation in New York. North Sea Brent crude, the most widely traded crude, closed at \$14.60 a barrel in London on Friday, up \$1.55 on hopes of an OPEC accord. West Texas Intermediate for January delivery closed at \$13.97 a barrel in New York.

On Friday, OPEC members agreed on the broad outline of an accord under which the cartel was to reduce its total output by more than 4 million barrels, to a new ceiling of 18.5 million barrels a day.

New quotas for production were set for each of the 13 members, and Iran was forced under great pressure to accept an equal quota to that of Iraq, with both nations to produce 2.6 million barrels a day. The Iranian capitulation was seen as another setback for the regime of Ayatollah Ruhollah Khomeini after it accepted a cease-fire last August in its war with Iraq.

The Iranian oil minister, Gholamreza Aqazadeh, who had vehemently resisted parity with Iraq for months, gave in to the pressure. On Friday he left Vienna for Tehran, where he managed to convince his government that the output plan was the best deal Iran could expect.

Speaking on Iranian television Saturday, Mr. Aqazadeh presented the deal as one that would give Iran some compensation for accepting parity with Iraq through the target See OPEC, Page 13

By Michael Dobbs

Washington Past Service

the southern Soviet republics of Azerbaijan

and Armenia, combined with growing politi-

cal unrest in the Baltic states, have served as

a reminder to President Mikhail S. Gorba-

chev of the risks of mixing freedom and

no other obvious way out of the present economic crisis in the Soviet Union. The old

method of centralized control fostered a

backward economy, pervasive corruption

Two weeks ago, a visit to the provincial

town of Orel by Mr. Gorbachev and other

and endemic national resentments.

Mr. Gorbachev's quandary is that he sees

MOSCOW - Renewed ethnic clashes in



Armenians rallying Sunday at the Armenian cemetery in Moscow. A banner reads, "Stop the genocide of Armenians in Azerbaijan!"

# **Arabs Seek Shift** Of UN Debate in Arafat-U.S. Rift

By Patrick E. Tyler

CAIRO - Reacting to the U.S. decision to bar Yasser Arafat from entering New York to address the United Nations, Egypt and Jordan announced Sunday that they would back the Palestine Liberation Organization in a formal request to move the UN debate on the Palestinian issue to Geneva.

The move, which may be blocked by UN budget constraints, was planned as Arab capitals resounded with shock and anger over the decision Saturday by Secretary of State George P. Shultz to deny a visa for Mr. Arafat, the PLO chairman, to address the UN General Assembly on Dec. 1.

President Ronald Reagan said Sunday that granting the visa would have sent the signal "that we're natsies.

On Nov. 15, the Palestine National Council adopted resolutions in Algiers renouncing terrorism and implicitly recognizing Israel's

speech came swiftly from Estonia.

where a grassroots political move-

ment that initiated the challenge to

Moscow said Sunday that it would

In the southern republics of Ar-

menia and Azerbaijan, shaken by

renewed ethnic violence last week,

military forces continued to main-

local autonomy.

West European governments criticize the U.S. decision to deny Yasser Arafat a visa. Page 2. of the Palestinian issue from the New York headquarters to the Eu-

right to exist. PLO leaders and their

Arab supporters had been hoping

for recognition from Washington that the PLO had met the test of

moderation and inclusion in Mid-

On Sunday, following telephone consultations between President Hosni Mubarak of Egypt and King Hussein of Jordan, the Jordanian

news agency Petra said that "both

leaders agreed on the necessity of a united Arab effort to transfer the UN General Assembly discussion

dle East peace talks.

ropean headquarters of the United Nations in Geneva." In a telephone interview from Kuwait, the PLO's second-in-command, Salah Kinalaf, also known as Abu Iyad, said a PLO envoy who

already had arrived in New York would make the request. Farouk Kaddoumi, chief of the PLO's political department, was granted a visa to attend the UN

ession before Mr. Shultz turned down a similar request for Mr. Arafat. Mr. Khalaf said. In New York, the UN Arab League ambassador, Clovis Maksoud, said Sunday that he had enough votes in the General As-

sembly to try to reconvene the meeting in Geneva. One Arab League official said a special UN session might be requested for late December or early

lanuary to allow time for the extensive logistical arrangements needed to move the debate to Geneva. Such a step, in protest of the U.S. action, would be unprecedented in UN history and would require a

majority vote of the 159 nations represented in the General Assembly. The body historically has supported resolutions sympathetic to the Palestinian cause. A UN spokesman, François Giu-

United Press International

Sam Nunn said Sunday that he had

long been frustrated by the number

of new weapons approved by Con-

gress, but he said it would be diffi-

cult to cut some of them to reduce

Mr. Nunn, the influential Georgia Democrat, who is chairman of

the Senate Armed Services Com-

mittee, said in an interview on CBS television that the government had made "a fundamental error" in

building the B-1 bomber, the

SDI technology may be used to

destroy enemy satellites. Page 3.

Stealth bomber and two new air-

of production on one production

line — building, let's say, 150 of one type bomber — we are trying to build a hundred of each type."

Mr. Nunn said. "And that is a very, very inefficient way to spend the

He said he would like to see the

Pentagon cut the B-1 bomber, which has been plagued by prob-

lems, including two crashes earlier

this month. But he said it was too

late for Congress or the Defense

Department to drop the B-1 in fa-

"The only thing you could do

now is cancel the bomber we really

need," he said, referring to the

Stealth, "and keep the one that we

■ Study by Bush Reported

"And that's the terrible dilemma

Walter Pincus and David Hoffman of The Washington Post report-

President-elect George Bush.

facing the likelihood that \$8 billion

to \$10 billion will have to be cut

from the Pentagon budget, is pre-

paring to begin a major review of

U.S. military strategy as a first step

As part of this plan, Mr. Bush

- Brent Scowcroft, his choice for

national security adviser, and the

secretary of defense and CIA direc-

tor, who have yet to be named -in

place this week to begin the review

along with James A. Baker 3d, the

secretary of state-designate, the of-

This review will have to lay the

vor of the Stealth bomber.

'Instead of having the efficiency

the military budget.

craft carriers.

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didn't need

ed earlier:

that we have now."

WASHINGTON - Senator

Azerbaijan were placed under mililiani, said the UN legal counsel tary control last week after rewould advise Secretary-General Janewed clashes between Azerbai-See ARAFAT, Page 5 janis and Armenians in which at

U.S. Errors On Weapons

The Communist Party leaders of

See SOVIET, Page 5

#### ing of Saturday. The movement urged the Esto-Facing a wave of ethnic unrest in nian government to stick by the that is to blame for all that." Mr. Gorbachev, whose position Caucasus and Baltic regions, strongest condemnation of nationassertion, approved earlier this Mr. Gorbachev added that the as party general secretary is consid-Mr. Gorbachev told government alist unrest he has made since ethmonth, that it could reject Soviet ered secure, may have timed his leaders, in a speech delivered Saturrecent decision by the Baltic repubnic tensions began rising earlier laws that seemed to infringe on day and made public Sunday, that

clear message for Soviet citizens. Mr. Liga-

chev and other Kremlin conservatives may

In the short term, Mr. Gorbachev's posi-

tion seems secure following an impressive

victory at an emergency meeting of the po-

licy-making Communist Party Central Com-

mittee in September. He was able to maneu-

ver Mr. Ligachev into the thankless job of

tural crisis, retire older members of the Polit-

buro and appoint his own supporters to key

"We must not permit a situation that would hamper perestroika and Soviet Union, saying they threaten his efforts to reshape the country. would even make some people think that it is, perhaps, perestroika

lic of Estonia to resist central governance was inadmissible, and nationalist discord must not be allowed to engulf his policies for re-structuring Soviet society, or peresposed a constitutional crisis. The Estonian policy was declared invalid by the government Saturday.

national legislature. Mr. Gorba-

chev is chairman of the Presidium.

which generally sets policy for the

The nationalist unrest addressed trous, it would put in jeopardy our by Mr. Gorbachev — disturbances stroika," Mr. Gorbachev told in the southern republics of Arme-

top Kremlin officials produced a moment nationwide television audience, carried a

began warning nationalist activists of the trying to rescue the country from its agricul-

showed no signs of subsiding Sun-

Gorbachev Says Ethnic Strife Could Be 'Disastrous'

Military forces in Armenia and Azerbaijan seemed barely able to maintain control, and Estonian leaders promised to press ahead with their constitutional challenge.

Mr. Gorbachev's speech was the this year, and indicated rising anxiety in the Kremlin about the centrifugal force represented by the more than 100 nationalities that make up the Soviet Union.

The speech also appeared to reflect increasing concern by Mr. Gorbachev that his policies would the Presidium of the Supreme Sovinia and Azerbaijan and Estonia's be blamed for fostering a breaket, the executive committee of the political challenge to Moscow — down of order.

Monday, and the recent nationalist unrest seems likely to be a subject of discussion, although the main issue on the agenda is a plan to not recognize the government rulreorganize the government and streamline the party apparatus.

The Communist Party Central

Committee will meet in Moscow on

speech Saturday to blunt any criticism of his leadership at Monday's

The Supreme Soviet, which follows the lead of the party, will meet Tuesday to consider the government reorganization plan. While approval for the plan appears certain, the legislature is also likely to

"Nationalist upheavals are inevitable as

central controls are loosened," a Western diplomat said. "Gorbachev is trying to man-

age them as best he can, but unless he is able

See GORBACHEV, Page 5

Andrei D. Sakharov challenges Moscow's casualty reports in ethnic clashes. Page 5.

tain a brittle peace as the authorities reported continued ethnic unrest throughout the region. Large areas of Armenia and Gorbachev's Test: To Loosen Up but Keep Control

#### least nine persons were killed and hundreds injured. The longer term is a different matter en-Tens of thousands of Azerbaijani Senator Sees tirely. Mr. Gorbachev has been able so far to demonstrators continued to occupy Lenin Square in Baku, the Azerbaiblame unrest on the mistakes of his predeceshave been keeping silent recently, but their sors, but many political analysts here believe

jani capital, defying a ban on pub-lic rallies, as the military commaneyes and ears remain open. They watch and that this explanation will begin to wear thin wait for the suitable moment to pass judg- unless his drive for economic change, known dant of the city reported numerous as perestroika, produces tangible results in threats against Armenian residents.

#### Officials Dismissed

two areas of Azerbaijan have been dismissed amid reports that party officials and local police have not been cooperating with Soviet soldiers trying to quell ethnic violence between Armenians and Azerbai-

# Iran Suspends Prisoner Exchange

NICOSIA — Iran has suspended an agreement with Iraq to repatriate sick or wounded prisoners of war, the Iranian news agency IRNA said Sunday.

The report, monitored here, said the program was being called off pending the release of 67 Iranian POWs "who were not returned home in the initial stages" of the exchange, which began Thursday. The head of the Iranian POW

By David E. Sanger

New York Times Service

setting rise of the yen in recent

weeks lies a quiet, three-year revo-

lution in the Japanese economy

that illustrates anew the depth of Japan's post-World War II eco-

A nation that staked its econom-

ic life on its ability to export every-

thing from video cassette recorders to autos to robots has suddenly

turned its home market into a ma-

jor source of strength, using it to

spur a rate of growth this year that

only 12 months ago seemed impos-

At the same time, Japanese flexi-

bility and efficiency thwarted

American efforts to create a yen

Japanese goods into the United

In fact, Japanese companies ad-

with a speed that dazzled their

consumers' seeming addiction to

Japanese products and their will-

ingness to pay far higher prices for

And Japan's biggest industrial

American competitors.

nomic miracle.

States.

TOKYO - Behind the record-

program accused Iraq of "repeated violations" of the partial repatriation accord, which was signed Nov. 11 in Geneva.

The suspension was to remain in effect until Iraq freed the 67 prisoners who were supposed to be among the first released, according to Ayatollah Mohajerani, who handles POW issues for Iran.

Earlier Sunday, Iran and Iraq held a third in the series of prisoner exchanges that began Thursday of Iranians.

and were to involve more than 1,500 POWs. Both sides, however, have released fewer captives than called for under the program.

the first to applaud.

By Philip Taubman

New York Times Service

chev has warned that ethnic ten-

sions could be "disastrons" for the

"Comrades, it would be disas-

that seemed to crystallize the political prob-

lems faced by the Soviet leader as he tries to

bring a measure of democracy and economic

Sharing the platform with Mr. Gorbachev

was Yegor Ligachev, the Politburo's champi-

**NEWS ANALYSIS** 

on of Marxist orthodoxy. He sat in silence as

Mr. Gorbachev called for more individual

initiative to get the economy working, but when the Kremlin chief switched tracks and

dangers of going too far, Mr. Ligachev was

The gesture, which was transmitted to a positions.

modernization to the Soviet Union.

MOSCOW - Mikhail S. Gorba-

Tehran maintains that the number of Iraqis exchanged has fallen because several prisoners have either asked for political asylum in Iran or were no longer classified as sick or wounded.

In response, Iraq has freed less than half of the expected number

the near future.

Peres and Shamir Look Past Each Other as Quest for Coalition Drags On Prime Minister Yitzhak Shamir, right, and Foreign Minister

Shimon Peres stood side by side Sunday but did not speak during a memorial service in Jerusalem for Golda Meir, the Israeli leader who died in 1978. Later, the smallest of the ultraorthodox parties, Torah Flag, said it was breaking off

coalition talks with Mr. Shamir's Likud bloc and called for a unity government between Likud and the Labor Party of Mr. Peres. The decision by Torah Flag, which won two seats in the Nov. I elections, will not necessarily prevent Likud from forming a coalition government without Labor.

# As Biological Clock Ticks, Future Mothers Time Careers

By Sara Rimer New York Times Service

NEW YORK - Amy Higer, 25, recently completed strong enough to stem the flood of a master's degree in international affairs and hopes to teach. She grew up mindful of the example of her mother, who gave up a college scholarship to be a wife justed to the strengthening yen

"But I think about the biological clock," Miss Higer said. "You don't have forever. I want to have children They were helped by American in my 30s."

Many young women like Miss Higer, standing on the brink of their professional lives and feeling alarm over the experiences of the generation that paved the way, see meticulous planning as the only way to deal with the inevitable conflict between careers and

Educators and other experts say these women are probably the first in American history to approach so strategically those details of their personal lives that New York, a lawyer and the mother of two children. can be most difficult to predict and schedule, such as represents an emerging role model. Mrs. Futter, 39, is everything. They seem very attuned to the scientific

"I see the women I'm working for practically losing their minds trying to juggle everything — arranging baby-sitters, cooking dinner," said Nadia Moritz, 24, a research associate and writer in Washington, who is single. "I'm wondering how I'm going to juggle everything."

By now, most young married women are in the work force and either have children or plan to. Last year, two-thirds of married women aged 20 to

34 were working, according to the U.S. Labor Department. A Census Bureau survey indicated that almost nine-tenths of working women in that age bracket expected to become pregnant. For many young women, the question of when has assumed paramount importance.

Ellen V. Futter, president of Barnard College in

the precise ages when they will marry and have admired by young women for her success in combining family and career

They ask me: 'How old were you when you were married? How old were you when you had your kids? When is the best time to have children - when you're on the rise, or after you've made it?" " Mrs. Futter said. "They're doing more thinking and planning," she

added. "When my generation started pursuing professional life, we just did it." At some schools, planning for a family has become a subject of study. Each spring the Stanford University Business School offers a workshop on the biological clock. At the workshop, a psychologist and an obstetrician provide information on the medical and emo-

tional consequences of waiting to have children. "They want to know what it means to wait," Dr. Laraine Zappert, the psychologist who leads the work-shop, said. What are the odds? What are the risks? There is a sense of 'I want to make sure I know

findings. They're saying, 'If you're 40, what is the exact probability of having a child with Down's syndrome? They want to precisely plan."

Many young women say they know at least one older woman — an employer, a colleague, a friend, a sister - who has confided deep sorrow at putting conscious decision to do so.

not want her name used, talked about her mentor, who worked 100 hours a week and became one of the first women to be a partner on Wall Street.

"She's 38," the younger woman said. "She's brilliant, she's wonderful and she worked incredibly hard to get where she is. About three or four years ago, she

whether to go through with having children — all the cuts in next year's Pentagon budget

See CAREER, Page 5

toward bringing military spending under control, officials say. wants to have the top three members of his national security team

career ahead of children, sometimes without making a A 27-year-old venture capitalist in Chicago, who did

ficials said. told me, 'All I think about is having children,' "She recently married. Now she's trying to decide groundwork for the anticipated

See DEFENSE, Page 5

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groups benefited from the fact that motherhood. American companies have largely ceded many technologies to Japan - including computer memory chips, sophisticated video equip-

Japan Soars, Along With Yen ment and cameras, laptop computers, large televisions and some forecast at the beginning of the types of machine tools.

forecast at the beginning of the year of 3.8 percent. The U.S. econ-As a result, exports continue to

First of two articles.

fronts, growing stronger all the Japan's economic growth for 1988 will be 5.2 percent to 5.5 per-

"We are a very adaptable peo-ple," said Yohei Mimura, the chair-

man of Mitsubishi, one of Japan's biggest conglomerates, "In this century we have rebuilt from a gi-

cent, far above the government's

omy is expected to grow 3 percent

rise and the economy thrives on all to 4 percent this year.

See JAPAN, Page 5

Peter Palumbo, chairman-designate of the Arts Council in Britain, is one of the main figures in the British debate over modern architecture. He commissioned a design by Ludwig Mies van der Rohe to be erected on a historic site in the City of London, which Prince Charles, leading an attack against the architectural avant-garde, called "a glass stump." A less controversial design by James Stirling is now being considered by the government. Mr. Pa-lumbo spoke with Barry James of the International Herald Tribune.

Q. How did you come by your reputation as a property developer? The record seems to show that you have never actually developed anything

A. I'm still trying. I've set my face on developing a certain building of excel-Q. You mean the City of London pro-

A. That's right.

Q. Why do you persist?

A. The site is very prominent and it demands a building of importance. I furnly believe architecture is an art form that must be experienced. We have very few wonderful modern buildings in Lon-

#### don. So it's therefore important to make

a big effort to give people a yardstick by which to judge architecture at its highest

MONDAY O&A

Q. Since the Prince of Wales never had any architectural training, is there any reason we should take his architecture criticism seriously?

A. I don't think what he says should necessarily be regarded as holy writ.

Q. How do you view architecture in Britain today? A. We are a musical and literary soci-

ety. Our visual awareness is not as great. This is a problem to which developers. architects and town planners must address themselves very seriously in order

to create the sort of environment that is an enhancement to the quality of life.

Q. William Rees-Moge, whom you will replace as chairman of the Arts Council next year, says modernism is an alienated style that cannot be popular and therefore does not express popular needs. What are your views?

A. I have some sympathy with what he says. We have had two devastating world wars, which in itself has not been conducive to the flowering of great art. But if you look specifically at architecture, you will find that the shock of the new very often takes a long time to seep into people's sensibilities and perceptions. Ultimately it does so and is then embraced very passionately. Some of the great buildings in London for which we now have affection — such as the Houses of Parliament, the Law Courts, Mansion House, St. Paul's Cathedral - were subject to a great deal of vilification when they were first built.

Q. Should governments subsidize art at all? Doesn't the experience of the so-

hand of the state produces only dead art? A. In Britain, at least, the government subsidizes the arts through the Arts Council, to which it makes money available. The council is entirely independent; it is not political. Therefore the dead hand of government is not directly on the arts. As to why the arts should be subsidized, the answer is that in a prosperous society, in which we are fortunate enough to live, you have the opportunity of being able to create art. It is the prosperous societies that create great art, not the poor ones. But government subsidy should be supplemented by the private

which must be bad for the arts. Q. But should taxpayers earning low incomes in effect subsidize a few hundred expensive opera seats at Covent Garden

sector, otherwise it leads to a great wave

of complacency and inertia, and people

just waiting for the annual state handout,

courage opera by putting money into workshops and provincial companies, rather than spending it on lavish productions and superstars at Covent Garden?

A. You have to do both if you can afford it.

Q. What has happened to private pa-

tronage? A. In the 18th and 19th centuries, patronage was exercised basically by the aristocracy, the landed gentry and then by the upper-middle classes. The industrial revolution eroded that patronage, and what took its place was a very heavyhanded bureaucracy. I believe that is why

the visual arts have suffered, because you cannot design a great painting or a work of architecture by committee. I shall try to persuade business that it has now got the duty and the responsibility to assume the mantle of the great patrons of the past, in order to enhance the quality of life, to gain prestige and also to reap

2 Black Foes

By John D. Battersby

New York Times Service JOHANNESBURG - The

South African government has

freed two longtime black national-ists, both in ill health, on humani-

They are Zephania Mothopeng, 75, the founder and leader of the

Pan-Africanist Congress, and Harry Gwala, 69, a veteran black trade

unionist and member of the Afri-

convictions under the Terrorism

banned organization. After being

freed from Diepkloof Prison in Jo-

hannesburg, he was reunited Satur-

day night with his wife and family

Saturday, is suffering from an in-curable neurological disorder that

has denied him normal use of his hands and arms. He is regarded as

one of the most respected hard-

liners among union leaders and has

served more than 20 years in pris-

ment, began in 1977 when he was convicted for his African National

Congress activities.

black factions.

white control.

His current term, life imprison-

Both the African National Con-

gress and the Pan-Africanist Con-

gress are outlawed in South Africa

broke away from the African Na-

rious clinic in Cape Town to a

It also followed a series of recent

initiatives by the government that

seem geared toward winning inter-

national support for a gradual po-

litical program aimed at giving blacks a greater say while retaining

A statement released by the

South African Prisons Service on

Saturday said that the two men had

been freed on "medical and hu-

Mr. Gwala appeared over-

vhelmed by his freedom Saturday.

"It's almost like a new world," he

said, after arriving at the home of his daughter Lulu in Pietermaritz-

Onassis Girl

Is Willed Bulk

Of the Fortune

ATHENS - Athena Onas-

sis, 3 years old, has become the

official heir to the Christina Onassis fortune, and a com-

mittee has been named to exe-

cute the will, a source close to

the family said Sunday.

The will, dated Oct. 12, was opened Friday before an Ath-

ens magistrate, the source

said. Athena, the daughter of

Christina Onassis and Thierry

Roussel, who were divorced

last year, is to receive the bulk

of the estate, which is estimated to exceed \$500 million.

Friends and relatives will re-

Miss Onassis, 37, died Nov.

19 in Buenos Aires, apparently of a heart attack. Her body

was flown to Greece, where

she was buried Saturday near

her father on the family-

The will specifies that the committee, which includes

Mr. Roussel, Athena's legal

guardian, will manage the Onassis group of companies and oversee the girl's affairs until she reaches 18. The

source said that all decisions

will be by majority vote.

owned island of Skorpios.

ceive smaller amounts.

manitarian grounds".

tarian grounds.

# Genscher Starts a 2-Day Visit to Iran

Front. He did not elaborate.

BONN (Reuters) — Foreign Minister Hans-Dietrich Genscher of West Germany went to Iran on Sunday for two days of talks expected to cover trade matters and efforts to free Western hostages held in Lebanon. Mr. Genscher is the highest-ranking Western official to go to Tehran since the Gulf War cease-fire in August. West Germany has been the only major Western power to maintain good relations with Tehran in recent

WORLD BRIEFS

Algeria May Vote on Multiparty Rule

ALGIERS (AP) — As he opened the sixth congress of Algeria's ruling party, President Chadli Bendjedid on Sunday suggested the possibility of a nationwide referendum on whether to allow opposition political parties. "Concerning a multiparty system, the question will be put to the people if conviction of its need is widely shared," state radio quoted the president as saying in his speech before the ruling National Liberation Front He did not elaborate.

Colonel Bendjedid has been trying to loosen the party's grip on national affairs in recent years. The effort was speeded up when violent protests in October — largely over rising prices and shortages of food, housing and jobs — broke out in Algiers and other major cities.

Government sources in Bonn said Mr. Genscher was expected to try to persuade the Iranian government to put more pressure on radical, pro-Iranian Shiite Moslem groups in Lebanon to free Western captives. Mr. Genscher was to meet Hashemi Rafsanjani, who is speaker of the Iranian parliament and the armed forces commander, and President Ali Khamenei and Foreign Minister Ali Akbar Velayati.

#### Roh Plea Fails to Calm Opposition

**Pretoria Lets** SEOUL (NYT) — Despite an appeal by President Roh Tae Woo, neither the political opposition nor the middle class seem ready to end investigations into the wrongdoings of the former president, Chun Doo

Mr. Woo asked South Koreans to forgive Mr. Chun's "misuse of state power in the past era" and he called on them not to "skid into a deep quagmire of frustration." But he avoided issuing a formal pardon to his **Leave Prison** predecessor, who apologized earlier for extensive wrongdoing during his

Early reaction from political leaders and from South Koreans interviewed on the street indicated that Mr. Roh's speech and Mr. Chun's apology had failed to dampen the public's growing appetite for details of the Chun administration's corruption and suppression.

#### New Warrant Issued for IRA Suspect

LONDON (Reuters) - Britain has issued a new warrant for the extradition of a suspected Irish Republican Army guerrilla hours after he was freed from a Belgian jail and flown to Dublin, the police said. Patrick Ryan, a former priest, was flown to Ireland late Friday after Belgian authorities decided that the British charges against him were vague and did not constitute grounds for extradition. Mr. Ryan, who is in a private clinic in Dublin recovering the ground 22-day hunger strike, is prested on charges including according to can National Congress.

Mr. Mothopeng had served nine years of a 15-year jail sentence for wanted on charges including conspiracy to murder.

A police spokeswoman in London said Saturday that a warrant for Mr. Act, for furthering the aims of a

Ryan had been obtained Friday from a London magistrates court, but she declined to say whether it had been delivered to Irish police. The Sunday Times said the warrant had been delivered, amounting to a formal application for extradition, but this could not be confirmed.

## Mr. Gwala, who was freed from Westville Prison in Durban earlier Saturday is suffering from an in-

land demonstrated Sunday outside the Yugoslav Consulate here, and the police said an unidentified gunman shot and wounded a youth who was among a group that climbed the wall of the compound.

The demonstration by about 1,500 people came on Yugoslavia's National Day, which marks the anniversary of the founding of the state in

1945. A police spokesman that two shots were fired at the youth by a man who had emerged from the compound. The protest followed another outside the consulate on Saturday, involving about 500 people. Sydney has a large population of immigrants from Yugoslavia.

Earlier in the day, about 2,000 protesters threw eggs and placards at a limousine carrying the Greek president, Christos Sartzetakis, who was visiting the country. The protesters arene demonding that Greece grant.

visiting the country. The protesters were demanding that Greece grant autonomy to Macedonia, a former Balkan kingdom now divided among Greece, Bulgaria and Yugoslavia,

#### Colombian Troops Kill 19 Rebels

BOGOTA (AP) —A Colombian soldier and 19 leftist guerrillas died in weekend battle after the army discovered a rebel base in a remote eastern area, a military commander said.

General Rafael Padilla Vergara, commander of the army's 2d Division,

tional Congress in 1959; the latter has remained the dominant black said Saturday on radio that soldiers had discovered the base in the Sierra de la Macarena region, 240 kilometers (150 miles) east of Bogotá. He said the soldiers found arms, a clandestine landing strip and coca plants, apparently indicating that the guerrillas, of the Colombian Revolutionary Armed Forces, were working with cocaine traffickers in the area. The attack was the first since President Virgilio Barco Vargas an-

nounced emergency measures Friday to fight rebels, paramilitary groups and drug traffickers. Mr. Barco promised to bolster the security forces and stiffen penalties for terrorist-related killings.

#### For the Record

The acting Pakistani president, Ghulam Ishaq Khan, will name a prime minister on Thursday, state-run television said Sunday. (Reuters) Indonesia has decided that foreign missionaries will no longer be allowed to conduct religious work in the country. A government spokesman gave no reason for the move.

#### TRAVEL UPDATE

Nigeria Airways has grounded all its cabin crews based abroad after two air hostesses were arrested last week for smuggling cocaine into Britain, newspapers in the capital, Lagos, reported.

(Reuters)

The place on Mount Ararat where Noah's Ark may have beached will be opened to tourists next year, Turkish officials said. Traffic in Paris is to be halted on the RER regional rail network Monday because of strikes by maintenance workers. Management said it would arrange bus service.

#### This Week's Holidays

Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:

MONDAY: Albania, Chad. Panama

TUESDAY: Albania, Liberia, Yugoslavia,

WEDNESDAY: Barbados, Benin, Philippines, South Yemen, Yugoslavia. THURSDAY: Central African Republic, Macao, Mexico, Portugal.

FRIDAY: United Arab Emirates. SATURDAY: United Arab Emirates

SUNDAY: Israel.

Source: Morgan Guaranty Trust Co., Reuter

#### Thailand Fears Death Toll Will Reach 1,000 in Floods

By Steven Erlanger New York Times Service through low-lying villages, espe-BANGKOK — As rescue work cially in Nakhon Sri Thammarat

continued and floodwaters receded in southern Thailand, government officials said over the weekend that the number of dead would probably reach 1,000.

Military and civilian authorities had recovered about 370 bodies by action reportedly had stripped the Sunday, but hundreds of people were missing and at least 100,000 slides.

were homele Foreign Minister Siddhi Savetsila said the flooding in 12 southern provinces was among the worst natural calamities Thailand had

ever endured. He appealed for international aid. The American Embassy announced that the United States to flood relief. That newspapers

also appealed to their readers to contribute money.

Floodwaters blocked roads and railroads and disrupted the telephone and electrical services. There were reports of looters navigating the flooded streets in large trucks. Estimates of the damage included 285,000 hectares (700,000 acres) of orchards and rice paddies inundated, 1,000 shrimp farms de-

slides studded with logs to sweep

Province, about 580 kilometers

Surin Pitsuwan, a member of

Parliament from the province, said

loggers working illegally had cut

down large stands of forest. The

hillsides, contributing to the mud

(360 miles) south of Bangkok

would contribute an initial \$25,000 stroyed and nearly 300 bridges damaged. Trairong Suwnakhiri, a deputy interior minister who in-spected some of the worst-affected Five days of heavy min begin-provinces, said the cost of the damning Nov. 19 caused huge mud age would exceed \$400 million.

## **Europeans Criticize Denial of Arafat Visa**

By Steve Lohr

New York Times Service
LONDON — West European governments on Sunday expressed criticism, some forcefully and some quietly, of Washington's decision to deny Yasser Arafat a visa to address the United Nations in New

European officials said that the rebuff to the Palestine Liberation

#### There's a Mate For U.S. and Soviet Players

The Associated Press SALONIKA, Greece — The captain of the American Olympic chess team secretly married a Soviet woman ranked second among the world's female chess players and left with her for the Unit-

ed States on Saturday.

John Donaldson, 31, and Elena Akhmilovskaya, 32, were wed in Salonika on Friday, according to American players. One American player said, "It's a real love match. A

marriage, not a defection." The couple's elopement de-prived the U.S. men's team of its captain at a crucial stage in the Olympiad, a biennial world team championship that began in Salonika earlier this

Mr. Donaldson, an international master from Seattle, and Miss Akhmilovskaya met three years ago at a world championship qualifying tournament in Havana. Yasser er and a close friend of Mr. Donaldson, said, "We really do mind losing our team cap-tain, but we couldn't think of a

finer reason why we should." Mr. Sierawan said the cou-ple hoped that Miss Akhmilovskaya's daughter would be allowed to join them in the United States. The 7-year-old girl is staying with her grand-mother in the Soviet Union.

Organization leader could only hamper progress toward peace in the Middle East and that Washington should have allowed Mr. Arafat to travel to New York, especially after the recent decisions of the Palestine National Council in Al-

Italy voiced the "deepest amaze-ment" at the U.S. decision, and the Foreign Ministry's director-general for political affairs, Enzo Perlot, summoned the U.S. charge d'af-faires for an explanation. Italy expressed hope that the decision

In Paris, the French Foreign Ministry issued a statement asking the United States to reconsider. "It would be normal, in accord with the United Nations agreement with the United States, for the Palestinian leader to go to New York as he

already has done in the past," The French said that a UN visit by Mr. Arafat would be "particularly desirable at the moment, when the position expressed by the Palestine National Council marks an evolution that warrants being encouraged by the international

Sweden also appealed to Washington to reconsider the decision, which it termed "unwise and un-

In London, the British Foreign Ministry declined to make any comment. However, a government adviser, while recognizing Washington's concerns about granting entry to the head of an organiza-tion linked to terrorism, termed the U.S. decision "unfortunate, if it inhibits moderation in the Middle

Britain is reportedly reconsidering it policy of refusing to hold high-level meetings with the PLO. Last Monday, the European Community foreign ministers issued a statement welcoming the decisions of the Palestine National

Separately, Pope John Paul II reiterated Sunday that Palestinians had a right to a homeland and suggested that Israel should see the Palestine National Council's implicit recognition of the Jewish state as a positive step.



Mr. Mitterrand examining a new space suit designed for extra-vehicular activity during his visit to the Baikonur cosmodrome. He is accompanied by Eduard A. Shevardnadze, the Soviet foreign minister.

#### For Mitterrand, a Mission in Moscow and are waging low-intensity guerrilla warfare against the government. The Pan-Africanist Congress French Seek High Profile in Flurry of Soviet Diplomacy

By Felicity Barringer

MOSCOW - President François Mitterrand watched from the spectator stand at the Baikonur launching site as his countryman Jean-Loup Chrétien, riding atop a white pillar of flame, was lofted into space for a four-week flight in the second joint French-Soviet

But during his two-day visit, which ended Saturday, it seemed clear that Mr. Mitterrand had not

they started again."

come just to acknowledge cooperature of goodwill and cooperation liberation movement. tion in space but to keep France's was made on the first day of the There are hopes in anti-apartprofile high at a time when the visit with an agreement that is ex-Soviet Union is increasing its con- pected to give Moscow a line of from custody of Nelson R. Mancredit with French banks for the dela, the leader of the African Natacts and exchanges with many En-ropean capitals. nuivalent of \$2 billion.

But in talks that covered issues lyst that would reunite feuding equivalent of \$2 billion.

In that respect, Mr. Mitterrand seemed to have achieved his aim. The two leaders agreed to hold annual French-Soviet summit meetings and twice-yearly meetings of their foreign ministers, according to the Soviet press agency Tass.

The most obvious French ges-

from disarmament to economic co-

operation to human rights, it The freeing of the two men came seemed clear that French-Soviet re- as speculation mounted that the lations no longer suffer from the Pretoria government was preparing chill that affected them after Mr. to move Mr. Mandela from a luxu-Mitterrand's 1986 criticism of Soviet human rights policies. house where he would continue to In fact, France was one of the be kept in some form of custody. first West European countries to The government announced last support the Soviet proposal for a week that Mr. Mandela would not

human rights conference in Moscow in 1991. While West Germany treatment for tuberculosis. has now endorsed the plan, Britain and the United States - two countries on Mr. Gorbachev's itinerary in the next two weeks - have not vet agreed to the conference. The question of support for the

Moscow conference is seen by many human rights advocates as a question of legitimizing Soviet human rights policies. According to Tass, Mr. Mitter-

rand's support for the conference was qualified. It quoted him as saying that "the Soviet Union should take additional steps for the implementation of human rights."
Mr. Gorbachev said the Soviet Union was moving in the direction

of a more humane society. "Much is being done for the expansion of human rights and the working out of more reliable guarantees of their exercise," he said, according to Tass. "Some people have grievances against us on this issue. But we, too, can state our

grievances. The issues discussed by the two leaders, and the presence of seven top French ministers and a group of businessmen in Mr. Mitterrand's entourage, were reminiscent of the visit last month by Chancellor Hel-

mut Kohl of West Germany.
Earlier this fall, Chancellor
Franz Vranitzky of Austria and
Prime Minister Ciriaco De Mita of Italy came for meetings with Mr.

The launching of the three-man space crew at 6:50 P.M. Moscow time Saturday went off without difficulty. Mr. Chrétien, 50, was sent aloft with Colonel Alexander Volkov, the spaceship commander, and Sergei Krikalev, the flight engineer, in a Soyuz TM-3 capsule due to dock with the orbiting Mir space station Monday.









#### tia and the pro-Iranian Hezbollah, or Party of God. BEIRUT — Syrian troops en-forcing a truce between rival Shiite Moslem militias clashed Sunday dors, taxis and pedestrians. Streams of cars packed with peo-The Syrians arrested gunmen ple and their belongings threaded their way out of the suburbs to who were identified as members of Hezbollah, a security source said. Two Hezbollah men were injured with gunmen on the edge of Beisafer areas in Beirut or the south. Scores of people carrying plastic bags full of clothes scurried out of rut's southern suburbs. The police said three persons were killed and eight were wound-ed, raising the toll to 29 dead and the area on foot.

Syrians Under Fire in Beirut

The clash was the latest in a series of truce violations since Syria 68 wounded since fighting erupted Thursday between the rival groups, Amal and Hezbollah, in Moslem arranged a cease-fire on Saturday and ordered troops to shoot militia gunmen unless they ended their

West Beirut was almost back to normal on Sunday. But in the

near the Iranian Embassy to sepa-rate the Syrian-backed Amal mili-oed around badly damaged streets,

West Beirut and the Shiite southern Soldiers came under fire when they moved into the Jenah area southern suburbs, sporadic ma-

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## Ethiopia to Move 2.7 Million More

"They will be fighting again," a terrified woman screamed as a rocket exploded. "Listen — listen, While most militiamen withdrew from West Beirot, Amal and Hez- said Saturday night.

bollah clung to their positions in Hezbollah militiamen, clad in headed by Prime Minister Fikre illitary fatignes and holding auto-Selassie Wogderes, had approved military fatigues and holding auto-matic rifles, gathered at their barthe latest move.

racks in Hay Madi to speak by walkie-talkies or listen to the latest news on the radio.

The feud dates back to 1984 when a struggle started between Amal and Hezbollah for supremanational progress," the prime min-ister was quoted as telling the Na-Amai and riezbonan for suprema-cy among Lebanon's 1.5 million-member Shiite community.

"My brother is an official in Hezbollah," said an Amal gunman.

"If I see him, I will shoot him. I am tional Villagization Coordination

not kidding. It's either me or him." He said he had not seen his into collective villages and resettle-brother since May, when Hezbol-ment projects. But Ethiopian leadlah and Amal last battled for coners have said the program is necestrol of the southern suburbs. About sary to raise living standards by 500 people were killed before Syria using the country's most fertile arsent troops to police a truce.

# Into Collectives

NAIROBI — Ethiopia has approved plans to move 600,000 Ethiopian families — about 2.7 million people — into collective villages next year, the state radio an-

The program will bring the total number of people living in collec-tive villages to nearly 15 million, the radio, monitored in Nairobi,

"Since our economy depends on agriculture, the regrouping of the peasantry in one area and their efforts towards greater production and progress will be the basis for

Western countries have accused Ethiopia of forcing peasant farmers

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Vote on Viole SDI Technology May Be Used SDITECHIOLOSY

When the opened the suggested the party system. To Destroy Enemy Satellites

By William J. Broad

By William J. Broad

By William J. Broad

By William J. Broad

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Critics charge that anti-satellite gation.

Such a weapon is seen that a protect territory from enemy missiles and nuclear warheads.

Critics charge that anti-satellite gation.

Such a weapon is seen tary officials as being an incode — far so

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Pentagon to shoot down enemy

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controversial: the destruction of

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the same of the control of the contr Fracean Maria Hard Dietrich Company for Stratego and Stratego for the free Western Company for Stratego for Initiative weapons has long been or played down by U.S. officials, who is generally emphasize that they are building a defensive system to protect the nation from incoming enemy missiles, not an offensive system capable of destroying Soviet unigets as well. tem capable or usantyme tem ca

ails to Calm Opposition Technical progress will soon make the goal feasible, and De-Despute an appear on Proceeding Rolls fense Department officials are un-der mounting pressure to demon-

State payoffs from the more many strate and he called the Charles make a factor of the called t indication what position the Bush administration will adopt toward anti-satellite weapons, although the vice president-elect, Senator Dan productive in the state of the positival reactors from South Known one calls ampen the material state of the calls are a second to the call are a second to the call are a second to the calls are a second to the call are a se calls for one to be deployed "rapid-

Congress in the past has strongly opposed the flight-testing of one such system.

nt Issued for IRA Sup But next year, after a January review by the Pentagon's Defense Acquisition Board, the Pentagon is action that the same county want expected formally to restart work on developing an anti-satellite weapon so that it would be ready if policymakers conclude it is needed. The anti-satellite role is controversial since the ability to destroy

ently more aggressive than trying "stands ready" to build one from

communications and early warning satellites, although the main mission for an anti-satellite weapon is said to be the destruction of loworbiting Soviet spy satellites that army's anti-missile program, Genuse radar to track the movements of U.S. and allied ships.

Moreover, such weapons, the critics say, are far more favorable satellite use. to the Soviet Union than to the United States.

"Given our greater overall dependence on space-based military systems, we have more to lose if the senior fellow at the Brookings Institution in Washington. "It's a very short-sighted policy."

Washington and Moscow have worked on anti-satellite weapons. The United States' anti-satellite weapon program was canceled last

The Soviet Union has conducted no tests of its anti-satellite weapon since 1982, and has vowed that it will perform no further tests of such systems in space if the United States refrains from doing so.

Critics have long predicted that potential SDI weapons would find their first use against satellites, because satellites are far easier to track and hit than are ballistic missiles and their warheads.

But now, some SDI officials are openly campaigning for the antisatellite role.

Lieutenant General Robert D. Hammond, commander of the Army's Strategic Defense Command, based in Huntsville, Alabama, asserted last week that the nation "badly needs" an anti-satel-

satellites in space is seen as inher-lite weapon and that his command any of a variety of exotic anti-missile technologies now under investi-

Such a weapon is seen by military officials as being available in the early 1990s - far sooner than the proposed anti-missile system.

At the end of a two-day briefing last week in Huntsville, on the eral Hammond said that two distinct classes of SDI technologies were ready to be shaped for anti-

The "more mature" technology. he said, is advanced homing rockets meant to destroy targets by smashing into them. The other type of technology is such directed-enerrace to build anti-satellite weapons gy weapons as lasers that emit powheats up," said Paul B. Stares, a erful beams of radiation to destroy

> A specific system with "high potential" as an anti-satellite weapon, General Hammond said, was the Expatmospheric Reentry-vehicle Interceptor Subsystem, known as

> Being developed by the army, the low-cost, light-weight, groundbased rocket is meant to destroy enemy warheads in the middle of their flight. This year, the army is spending \$161 million on the project. A test version of ERIS is to undergo its first flight in 1990 from Kwajalein Atoll in the Pacific.

In an interview, James C. Katechis, the ERIS project manager, said the 13-foot-long (4-meter-long) interceptor would require no significant modifications to destroy satellites and that such a job would be "quite easy."

The only change needed to make ERIS into an anti-satellite weapon, he said, would be to alter its computer software so the interceptor's sensor would search for satellites

# U.S. Drug Officials Say Speed Is Out of Control

By Jane Gross

New York Times Service SAN FRANCISCO - Made in a grow.

ing number of clandestine laboratories, the drug speed is surging across the West and could soon rival crack elsewhere in the United States, law-enforcement officials

and experts on drug treatment say,
"It's an astronomical problem," said
Ron D'Ulisse, an agent of the federal Drug
Enforcement Administration in San Diego and an anthority on speed. "It can't be overstated. There's unanimous agreement out here that, 'Hey, this drug is out of control."

Speed, or methamphetamine, is a powerful stimulant to the nervous system that has been used for a generation, starting with diet pills diverted for illegal use. Its popularity has jumped in recent years

with the increase in makeshift laboratories

be snorted, injected or taken in a beverage. This fall the Drug Enforcement Administration's Western Laboratory in San Francisco identified a smokable form of

When crack, the smokable form of co-

the drug that looks like quartz crystals.

caine, appeared on the East Coast in 1985, it meant that a cocaine epidemic was at them shut down last year. Of those, 489 drug-induced psychoses.

Methamphetamine is cheaper than cocaine and produces a longer-lasting eupho-

Its abuse is most prevalent in California, Texas, Oregon and Arizona, but a recent study for the National Institute on Drug Abuse warns: "Domestically produced methamphetamine looms as a potential national drug crisis for the 1990s."

Drug law-enforcement agents say speed is simple to make and lucrative to market: \$175 worth of chemicals yield a pound (454 grams) of pure methamphetamine, which is then weakened to make two pounds and sold for \$32,000.

Both the federal study and interviews with more than a dozen experts show that speed is gaining ground, as in these exam-

turning out an off-white powder that can • in the last two years, U.S. statistics show, the number of emergency room cases involving methamphetamine complications has doubled and deaths from the drug are up 80 percent.

• Raids on clandestine laboratories have

were in California. State and federal officials say that at least five labs are operating for each one that is closed, and only man-

power shortages have kept the number of

raids and confiscations from rising. · Huge quantities of speed are being made. In San Diego, where the problem is considered most severe, 1987 production reached 20,000 pounds, enough, said Mr. D'Ulisse of the Drug Enforcement Administration, "to keep every man, women and child here under the influence for six

 At least four companies that make chemicals in California have recently been seized, in joint state-federal undercover investigations, for knowingly selling chemicals that can be synthesized into speed. One company was owned by a man who had been convicted of manufacturing the

illegal drug. Drug rehabilitation centers in San Diego, San Francisco and other Western cities are jammed with speed addicts.

Police blotters list growing numbers of methamphetamine-related homicides.

Doctors, counselors and law-enforcement officers tell of a sharp increase in a pattern of agitated, violent behavior in addicts that resembles paranoid schizo-

With speed-making labs being seized in California, U.S. agents say, the clandestine operations have moved to Nevada, Mon-tana and Oklahoma, making the drug available to new users.

The growth in methamphetamine production and distribution poses new problems for law-enforcement officials. Unlike cocaine, which begins as a plant grown abroad, speed is synthesized in do-

mestic laboratories. "What's so insidious is you don't need any Bolivians to grow it on a mountainside," said Joe Miano, a Drug Enforcement Administration intelligence analyst in Washington. "You don't need any Colombians to traffic the stuff up from South America. You just need chemicals, most of them readily available here in the United

# Safety Net for Poor: Reagan Left Thinner Strands

By Spencer Rich

Washington Post Service WASHINGTON -- When President Ronald Reagan took office in 1981, he announced his intention to cut social welfare programs that provided benefits "where real need cannot be demonstrated."

At the same time, he pledged that "those who through no fault of their own must depend on the rest of us, the poverty-stricken, the disabled, the elderly, all those with true need can rest assured that the social safety net of programs they depend on are exempt from any

Since then, Mr. Reagan has proposed and Congress has enacted,

often after modifications, a series in 1987 were \$502 billion, and the about 6 percent to 10 percent less the Reagan administration have of changes reducing eligibility, ben-administration calculates that a se-annually in 1986 to 1988 than it materially weakened the safety efit levels or funding for many of the federal "safety net" programs that assist at least 50 million elderly, ill and low-income Americans each vear.

One effect of those changes was to lower the cost of these programs

#### NEWS ANALYSIS

by 6 percent to 10 percent. Experts and politicians still argue about the impact of those changes on the people who benefit from them. The safety net is still there, but in some ways it works differently. The strands are thinner.
Definitions of the "safety net"

vary. Broadly, it includes the "hu-man resource" programs that, in 1980, the year before Mr. Reagan became president, cost the federal government the equivalent of \$439 billion in 1987 dollars, according to the Congressional Research Ser-

It includes programs like Social available to people regardless of their wealth or income. And it includes programs that are available only to people whose incomes fall below poverty levels, including Aid to Families with Dependent Children (welfare), aid to the low-in-come aged, blind and disabled (Supplemental Security Income), food stamps and Medicaid, education and training and service programs for low-income people.

lected group of "core" programs aimed at the poor rose from \$62 billion to \$76 billion measured in constant 1982 dollars.

Social Security and Medicare alone went up \$74 billion because of an increasing aged population, higher earnings records of new retirees, entitling them to larger benefits than their predecessors, and medical inflation far beyond general

This means that the combined total spent for all other safety net programs was lower in real dollars and others rose. Education and

greater per person.

One way to measure the Reagan-On the surface, it looks as broad era changes is this: Spending for on Budget and Policy Priorities as in 1980. Human resource outlays major safety net programs was said, "The policies pursued under

But these figures do not tell the whole story.

for all "human resource" programs has gone up \$63 billion since 1980, vid A. Stockman. price increases.

than in 1980, although some fell training took the biggest cuts. Calculations by the Congressio-

more Americans need government Security and Medicare, which are and that the amount they need is eligibility changes.

> population is not sharing proportionately in the country's overall lays for social programs can be came president. larger without necessarily meeting programs did before Mr. Reagan. pute.

would have been if Mr. Reagan had net." James Ellenberger, an unemnot altered the rules, according to ployment insurance specialist with separate estimates by John Palmer, an economist and dean of the Syracuse University Maxwell School: Robert Reischauer, a Brookings Instimution economist; and Mr. Rea- say the safety net is basically ungan's former budget director, Da-

Although total federal spending

Many major changes were engimillion individuals) lost all benefits tions from absent fathers. under welfare. The benefits of 290,000 more were reduced when Mr. Reagan persuaded Congress to lower the amount of money a welfare recipient could earn without forfeiting some or all welfare benefits. Loss of welfare generally brings automatic loss of Medicaid

A program providing an extra 13 weeks of unemployment benefits to nal Budget Office show that today workers who are still jobless after exhausting their basic 26-week benhelp to escape poverty than in 1980 efit has been virtually abolished by

Subsidies for construction of The reason, said Joseph Minarik, an economist with the Urban Institute, is that the poorest fifth of the ment is assisting 4.2 million families, a third more than in 1981, but much of the growth was authorized well-being. This explains why out- by Congress before Mr. Reagan be-

people's needs as well as the same changes on people's lives is in dis-

Robert Greenstein of the Center

the AFL-CIO, said, "Millions of people have lost unemployment benefits because of these changes."

But administration defenders harmed, particularly when one looks at the recent improvements in Medicare and Medicaid, tax neered by Mr. Reagan. For exam-ple: 442,000 families (more than a expansion of child-support collec-

"The safety net by bipartisan consensus is intact and I think more efficient than it was eight years ago," said Gary Bauer, a former domestic policy adviser to Mr. Reagan. "Every change the president proposed had as its purpose to direct revenues towards those most

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## **AMERICAN TOPICS**

Pay-by-Bag Disposal Cuts Volume of Trash

Tossing out the household trash requires care and ingenuity these days in High Bridge, New Jersey, The New York Times reports. In January, the town, with a population of 4,000, stopped charging households \$280 a year for garbage collection and began charging for the amount of trash they actually discard.

Each 30-gallon (114-liter) garbage can or 30-gallon bag set out at curbside each week must carry a town sticker. Each household is: charged \$140 for 52 stickers, and additional stickers cost \$1.25 apiece. The system has reduced residential trash volume by 25 percent: Daily trash collections have dropped to an average of 6.3

tons a day from 8.5 tons. The system also has heightened awareness of recycling programs

"I've been doing it for years, but many of my friends and neighbors said they couldn't be bothered," Emily Bruton said. "But now they bother because it's hitting them in the pocketbook."

Trash compactors are going into more and more kitchens. And outdoor compost piles are popping up in more and more yards. Extra stickers are required for bulky disposable items, like stuffed chairs (two stickers) and sofa beds (six).

old sofa, and they wanted four

stickers on it," Janet Nazif said.

Instead, she said, "We looked ex-

tra hard and found a school that

wanted a used couch for a class-

Short Takes The 1986 law requiring employers to require proof of citizenship or work permits may have back- and western bar than anywhere fired by encouraging racial dis- else."



crimination against foreign-looking job applicants. Lawrence J. Siskind, U.S. Justice Department counsel for employment practices regarding immigrants, said that a survey indicated that 7.5 million brochures warning employers not to hire illegal aliens "may have sensitized some employers to employer sanctions but not sensitized them to the possibility of violating the anti-discrimination provision." So more brochures are going to employers warning

Country and western songs, "wailing, lonesome, self-pitying," tend to encourage fast drinking and bar fights, says James Schaefer, a University of Minne-"We wanted to throw out an sota anthropologist who conducted a 10-year study. One reason, he said, is the lyrics: sad songs about lost love, personal freedom, the open road and the so-lace of drinking. "I don't think this warrants a surgeon general's warning," he said. "But people should be aware that they are more likely to lose their control and self-restraint in a country

them about this aspect of the law.

Virginia has joined the much-debated trend toward requiring teachers to take fewer education courses and more courses in the arts and sciences, The Washington Post reports. The elementary education degree, a staple of the teaching profession, will disappear. Education courses, which once constituted as much as half the four-year curriculum for prospective teachers, will be cut back to about one-sixth.

More bridesmaids are wearing black. "This isn't a revolt of bridesmaids fed to the teeth with wearing pastels and later trying to convert fluffy orchid or pale yellow tulle into passable dinner dresses," writes Enid Nemy in The New York Times, Usually, it is the bride's idea, "because she's basically a nonconformist" or because she and her attendants are young but no longer dewyeyed teen-agers" and "would feel most comfortable wearing some-

Notes About People Count Wilhelm Wachmeister

thing that might become a useful part of their wardrobes."

the Swedish ambassador to Washington for 15 years and dean of the diplomatic corps for nearly three years, will retire May 1. two days after he turns 66, the obligatory retirement age, but will stay on in Washington. Count Wachmeister, who has been a regular tennis partner of Vice President George Bush, said, I suppose I'll find some international consulting work." He said he expected his wife, Ulla, finally to have time to go back to paint-

> After Shirley Temple Black was named grand marshal of the 1989 Rose Bowl Parade in Pasadena, California — just as she was 50 years ago when she was 10 years old and Hollywood's leading box office attraction — she posed for photographers with an armful of roses. "Suddenly," recalled Bonnie Hann, a parade publicist, "her voice started to go hoarse and she said, 'You know, I can't hold these roses anymore." We asked why not and she said. 'Because I'm allergic to them.'

> > Arthur Highee

# Peru Rebels Carry Their Cause to Prison

By Eugene Robinson

Washington Past Service
LIMA — The Peruvian prison known as Canto Grande offers the same images of squalor and despair seen in so many other Latin American penal institutions.

An impate with apparent mental

limping from a festering sore on his leg. Food consists of a thin, gray gruel that guards bring around at odd hours. But in Canto Grande there are two islands of discipline, organization and fastidious cleanliness: the minutes later little biscuit sandmen's and women's pavilions that

house members of Sendero Lumin-

oso, or Shining Path, the guerrilla insurgency. Shining Path is one of the most peculiar revolutionary groups in the world, highly secretive and dedicated to a Maoist philosophy. It controls large areas of the countryside, has forced the authorities to turn other parts into armed camps and, by all estimates, is getting

stronger every day. The government uses Canto Grande, designed as a maximum security prison, as one of its major sites for keeping Shining Path prisoners. The guerrillas, in turn, have a showcase for their dedication to complete with a catalog system.

what they call the world's "most There is also a cell dedicated to advanced revolution," a demon-stration of the kind of society they

One of Shining Path's main comsay they want to create in Peru. Visitors to the men's pavilion are

greeted by an honor guard holding

red hammer-and-sickle flags like

swords at a military wedding. The

filth and smell of the central courtproblems wanders aimlessly, haulyard disappear. Everyone is neatly ing a filthy foam-rubber mattress, dressed in clean clothes, is wellshaven and polite. Two spokesmen appear and sit down to discuss the revolution and the "parallel state" being built in the hills. One waves his hand, and

> wiches and steaming coffee appear. It is an official visiting day, and the men have moved some of their ter-organized. On the wall beside beds outside into the pavilion's ex- each cell there is a foil cup with a ercise yard so that friends and relatives have a comfortable place to sit. To provide shade, they have strung a canopy of decorated fabric strips across part of the yard. Paint-

rals cover the walls. from four hot plates. To make it cent Sunday it consisted of pasta philosophy professor who founded work they had to divert power from shells with a curry-like sauce. Shining Path. He taught that Mao work they had to divert power from shells with a curry-like sauce. other parts of the building and wire it together using transformers and fuses. Upstairs at the end of a corriturned their parts of the prison into dor they have established a library, years. Like the others, she is impris-

ed revolutionary slogans and mu-

plaints about the prison is a lack of medical care. One inmate laints about the prison is its near-

said that dental care was nonexistent. He said there were nearly 400 untreated cavities among the 137 men in the pavilion. They are petitioning for tooth-pulling tools. Other inmates have complained about Shining Path's habit of rising before daybreak for calisthenics. The guerrillas try to keep their

words of solidarity, other times with fierce, bitter resistance. The women's pavilion, housing 69 inmates, is even cleaner and betpaper rose inside. There are also fresh flowers and a few potted

On visiting days, the women play basketball in their exercise yard, where the walls, like those in the men's pavilion, are covered with The men prepare their own food slogans and murals. Then they preon a homemade electric stove made pare a big, common meal. One re-

oned for terrorist activity.

"When I first came to Peru I thought that there was nothing here, that it was dirty, that nothing ever worked," she said, "That's all true. But at the same time, we're creating a new man in the most advanced revolution in the world. Everyone will see when we take "We're already building a new

state in the countryside. The big

center of reaction is Lima. But

Lima is about ready. It's beginning guards off balance. Sometimes they greet them with presents and kind Another inmate bristles when Shining Path is referred to as a

> "We are not a movement," she said. "This is very important. We are an armed revolution, the most advanced revolution in the world. It is a scientific revolution. We have taken the progression of Communist thought - the thought of Marx, Lenin, Mao and President Gonzálo. Our revolution is right. Therefore, we cannot lose,"

"President Gonzálo" is the nom de guerre of Abimael Guzman, the One of the female prisoners is raised communism to its highest Renate Hehr, a German who has point until that time during his been in Canto Grande for two years at the helm in China. Mr. Guzman said his ideas raised it to the next, and final, level.

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## A Budget Built on Hope

Working backward, the Reagan adminisforecasts to its budget numbers rather than the other way around. High growth of the U.S. economy, with low inflation and interest rates, certainly would make it easier to reduce the deficit. By lifting revenue and holding down spending, it would minimize the spending cuts that President Reagan will have to recommend, and his successor will have to defend, over the coming winter. The administration's budget makers have forecast a growth rate significantly higher than most other people expect, accompa-nied by declining inflation and interest.

It is an exceedingly unlikely combina-tion. It has happened in the past, as the administration will be quick to point out. but only under very different circumstances after a recession, as in the 1982-86 period, when million of people were looking for work and factory capacity was standing idle. Today, after six years of recovery, unemployment is at the lowest point since 1974 and labor costs have begun to acceler-1974 and labor costs have begun to accela-ate visibly. Industrial production, in rela-tion to capacity, is now at the highest point since the high-inflation years of the late 1970s. There is no more slack to take up. So how is the economy to keep growing without raising the inflation rate? The first

and most important thing to do is to intration is once again adjusting its economic crease investment in industrial expansion and greater labor productivity. But investment comes out of savings, and the financing of the budget deficit also comes out of savings. The budget deficit competes for funds with industry, pushing up interest

rates and pushing down private investment.
Some supply-side economists have anxiously begun to revive the claim that budget deficits do not affect interest rates or economic growth. They point out that certain other countries — Italy is the fashionable example — run huge budget deficits without suffering high interest or industrial stagnation. This is true, but those are countries in the stagnation of the stagn tries where people have the habit of saving their money. The Italians, who do not trust government pension plans, are phenomenal savers. From that huge pool of savings they can afford to finance both industry and their astounding deficits. But Americans, notoriously, save very little. That is why U.S. interest rates are high, and investment has fallen lower in the United States than in any industrial country but Britain.

That, in turn, is why it is crucial to reduce the budget deficit. Fudging economic fore-casts to postpone hard choices is no contribution to America's economic strength. - THE WASHINGTON POST.

#### **Air Fares Need Not Soar**

U.S. airports were jammed with a record two million travelers this weekend and, on many flights, the atmosphere made commuter buses look good. There was a big consolation. Flying was still cheap. The question is, will it remain so for long?

The suspension of some advance-purchase fares, combined with increases in vacationers' Maxsaver rates, prompts some analysts to conclude that the era of low-cost air travel is as dead as People Express. But, more likely, the airlines are only taking advantage of unexpectedly high demand to make hay while the sun shines. Come the January doldrums, when demand dips, or when one hungry carrier grabs for

more market share, fares will fall. There's still a long-term danger, however. The potential for monopoly pricing is in-creasing as carriers consolidate their markets and grow ever more sophisticated in defending them against interlopers. It is up to the government to counter the airlines strategies to reduce competition.

This season's euphemism in the airline industry is "yield management." Using sophisticated computer programs, planners minutely tailor restrictions and ration seats among the fare classes to squeeze the most revenue from each flight. Continental recently tested the waters by announcing in-creases in a variety of fares; rivals have quickly followed. Even if the new fares stick, that won't signal a failure of competition. Airline profits remain low - probably too low to sustain industry growth. In any case, most of the trumpeted benefits of

deregulation would remain intact. Businesses bear most of the price in-creases, but they value increased flight frequency more than they regret higher rates. Travelers willing to reserve far in advance, fares far lower than those of the 1970s. Even petition against its natural enemies. so, the ability of the free market to discipline

pricing behavior shouldn't be taken for granted. Airlines are working hard to tame competition, and Washington has been less than vigilant in countering their tactics:

Fortress hubbism. Funneling traffic through a few key airports, "hubbing," vastly increases the efficiency of airline route systems and shouldn't be discouraged. But it is a mistake to allow a single carrier to dominate service from a single large airport. That provides both the incentive and the economic leverage to block airport expansion. To remain independent, airport managers need an independent revenue source - perhaps

the right to levy user fees on passengers.

Frequent flyer bonusism. Stripped to essentials, mileage clubs are a way to buy the loyalty of business travelers at their employers' expense. The bonuses are a powerful deterrent to the entry of new airlines. They also reduce the sensitivity of frequent flyers to fare increases. The Internal Revenue Service could take the fun out of the system by insisting that bonuses earned from deductible business travel but used for pleasure be taxed. Better yet, Congress could require the airlines to phase out the programs.

Foreign competition. Six companies now control about 90 percent of domestic traffic in the United States, European airlines have the deep pockets and the desire to challenge U.S. carriers in their own markets. But federal law prohibits foreign ownership of domestic airlines. That suggests a deal: Trade airline operating rights in the United States for similar

concessions by the European Community. Airline deregulation works. More Americans are flying more places more frequent-ly, and often for less money than in the 1970s. But deregulation will only continue to yield dividends if Washington has the

— THE NEW YORK TIMES.

#### Other Comment

#### **Encouragement for Bhutto**

Benazir Bhutto is not only the symbol and the catalyst of a democratizing Pakistan, she is also a phenomenon in the Islamic world — the first woman leader elected by the masses. Her courage and resourcefulness under pressure give her a special stature. In addition, the notion of a wronged child seeking retribution resonates in the hearts of many Pakistanis.

The first elected woman leader of a modera government was Sirimavo Bandaranaike in Sri Lanka in 1960, who is seeking election as president next month. Indira Gandhi became prime minister of India in 1966. The political opposition in Bangladesh is led by two women of Islamic faith, Hasina Wajed and Begum Khalida Zia. In 1964-65, Fatima Jinnah, sister of the founder of Pakistan, ran unsuccessfully for president of the republic. These women did initially benefit from their relationship with dead political heroes, but they nonetheless sustained their careers independently. There is, it seems, something in the culture of South Asia, whether it be Hindu or Buddhist or Islamic, that supports women's participation

and advancement in public life. This heritage will surely encourage Miss Bhutto as she faces a daunting prospect — depoliticizing the army, curbing religious zealotry, energizing the economy, manag-ing relations with India and, above all, governing a country whose experience with mocracy is less than a dozen years in its

history of four decades. - Ralph Bruitijens in the Los Angeles Times.

It will be interesting to watch the political situation in Pakistan in the coming days. Benazir Bhutto has pledged to work for a national consensus and avoid politics of revenge. If she is given an opportunity to come to power, she will have to show considerable tact as well as common sense to maintain a balance among the coalition partners.

— Gorkha Patra (Katmandu, Nepal).

#### The Price of Conservation

. It is only when poor people are assured of their livelihoods that they will help us to safeguard their natural environments. So long as people remain hungry, it is very difficult to talk to them about conservation. Only when conservation takes on a dimension of helping the downtrodden and the destitute will it have an enduring impact.

- M. S. Swaminathan, president of the International Union for Conservation, Nature and Natural Resources, quoted in World Development Forum.

#### Between Rockies and Urals

Since the days of General de Gaulle, French presidents have built up a special relationship with the Soviet Union, partly or mainly to emphasize France's independence of the United States. President Mitterrand was initially something of an excep-tion. The François Mitterrand of the early 1980s was much more Atlanticist than de Gaulle, Georges Pompidou or even Valéry Giscard d'Estaing, and much more skepti-cal of Soviet intentions. Mr. Mitterrand is [now] giving high priority to raising France's profile in Eastern Europe. Mr. Mitterrand's sympathy for [Mikhail

Gorbachev's attempts to defeat his unre-constructed domestic opponents may owe something to his own memories of dealing with the dichards of the French Communist Party. But above all, the intellectual in him is excited by the possibilities which whole-sale reform in the U.S.S.R. and the flushing out of the horrors of the past offer in bringing East and West closer. That is the end to which he wants to devote much of his second term of office. [Last week's] visit to Moscow is an important part of his mission, and may come to be seen as the moment when his own diplomacy reverted to a more traditionally Gaullist location between the Rockies and the Urals.

The Independent (London).

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International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92200 Neuilly-sur-Seine, France Tel.: (1)46.37.93.00. Telex: Advertising, 613595; Circulation, 612832; Editorial, 612718; Production, 630696. Directeur de la publication: Walter N. Thayer.

Editor for Asia: Michael Richardson, 5 Canterbury Rd, Singapore (SIL Tel-472-7768. Th: RSS6928 Managing Dir. Asia: Makadın Glenn, 50 Gitucaster Road, Hang Kong, Tel. 5-8610616. Teles: 61170 Managing Dir. U.K.: Robin MacKichan, 63 Long Aore, London W.C. Tel. 836-4802. Teles: 262009 Gen. Mgs. W. Germany: W. Lauterbach, Friedricher. 15, 6000 Frankfurt M. Tel. (059) 726755. Tr. 416721 Pres. U.S.: Michael Connop. 850 Third Are. New York, N.Y. 10022. Tel. (212) 732-5890. Teles: 427175 S.A. au capital de 1.200.000 F. RCS Nauterre B 732021126. Commission Paritaire Na. 61337 © 1988, International Herald Tribune. All rights reserved. ISSN: 0294-8052.



#### **OPINION**



## Now Both Superpowers Are Cutting Their Losses

For the Starving Sudanese, Tears Aren't Enough

By Jonathan Power

in April 1985, and elections the following spring. Sadek Mahdi became prime minister. He is the

Oxford educated great grandson of Muhammad

Ahmed Mahdi, the fanatical Moslem leader of the 1880s who defeated General Charles George

Gordon in the historic encounter at Khartoum

that changed the political map of the Sudan and

Egypt. But, ironically, the liberal, enlightened Sadek Mahdi may be brought down by the fun-

Mr. Mahdi campaigned strongly against the Islamic fervor of the Nimeiri government, in particular the revival of sharia, or Islamic law. Yet, in

office, he has given the impression of being con-stantly on the defensive against the political onslaught of the National Islamic Front, the

third largest party in his coalition government.

The leader of the southern guerrillas, the Ameri-

can educated John Garang of the Sudan People's

Liberation Army, is not easy to deal with, either. The guernillas have tried to shoot down relief

lights — incredibly, a missile bounced off one UNICEF plane and exploded in the air — and attacked relief convoys. Mr. Garang, who seems not to care if his people starve while hoping that anarchy will play into his hands, has been able to

isolate the government garrison towns, depriving them of food. In return, the government has blocked relief supplies from reaching the tribes

in the countryside, and is thought by many

southerners as welcoming the war as a way of

depopulating the troublesome region. Intermit-tently, the United Nations, the Red Cross and

damentalist forces his ancestor unleashed.

By Stephen S. Rosenfeld

WASHINGTON — The Nicara-gua debate is over; now the United States has only to determine if it is content with the results. There is no trickery here, just a plain fact. The contras have been permanently cut off, with hopes for Nicaraguan democracy pretty much put in the hands of the other Latin countries and leaving to Washington the residual task of containing regional extensions of Nicaraguan, Cuban or Soviet power. It's all there in two things Presi-

dent-elect George Bush did last week. Asked if he would favor contra aid, he responded that, as someone who had supported aid "long and hard," he was "perfectly willing to encourage the peace process if it will lead to the Sandinistas fulfilling their com-mitment to the Organization of American States." Thus did he avert his gaze from the spectacle of the contras' dispersion, disarmament and imminent collapse. Over to you, President Arias and Speaker Wright. Then, he had a demonstratively triendly meeting with the president-elect of Mexico. This was Mr. Bush's

way of indicating he does not intend

to invite another four or eight years

of grinding political combat over an

AIRO — Members of Margaret Thatcher's

government, for which only real men need apply, are not known to cry in public. But a few

days ago, one of her rising younger stars, Christo-pher Patten, the minister for overseas develop-

ment, was reduced to tears when describing what

he'd just seen at Ethiopian refugee camps crammed with starving migrants from neighboring Sudan. The war in Sudan has reached such murderous

proportions that it is now said to be more calami-

tous than the Ethiopian famine of 1965. It is,

Mr. Patten talked of families "tacking back and

forth across Sudan, trying to avoid armed Moslem

tribes, the Sudan Army or marauding gangs, and

living off leaves, berries, nuts or roots they had grubbed up." Also just back from Ethiopia, Bob Geldof, the pop singer and Africa fund-raiser extraordinaire, told of asking a small boy how he

had found his way across almost 500 kilometers of

desert to a refugee camp. "I just followed the trail of bodies" the boy repbed.

the international community could move heaven and earth to provide aid and succor, raising hun-dreds of millions of dollars for both Ethiopia and

Sudan. But fratricidal war is another matter.

The war between the Moslem north, seat of the

government, and the Christian and animist south

has been raging on and off for 30 years. And each

act of aid by outsiders merely seems to enable the combatants to live to fight another day. The last

two years have seen the war worsen dramatically,

After the despotic Gaafar Nimeiri was deposed

with each side using the weapon of starvation.

Where does it end, and where do we begin?

When drought was the culprit, as it was in 1985,

perhaps. Africa's worst disaster in centuries.

unwinnable Central American enterprise. Rather, he is going to do what all the Latins have been begging for, and what all the American critics and establishment types have been advis-ing namely, deal with the big Latin countries and with the economic questions that are at the center of their relations with the United States. One thing new presidents can do is cut losses — revise the sense of

what stakes are involved and move

on. Michael Dukakis promised to do this. Mr. Bush is doing it. It is much like what Mikhail Gorbachev is doing in Afghanistan. He and Mr. Bush could not have directly conspired on this score, but they are dealing similarly with their predeces-sors' soured regional investments. On each side the leadership or some sigraificant part of the political commu-nity is perhaps comforted by an awareness that, painful as it is to admit overreaching and humiliation, the other fellow is taking a pasting, too. There is another factor. These re-

gional situations are always being weighed not just in their own local terms but in a broader East-West con-

text. It is one great power's perception that the other is on the global prowl that really revs up the engines in Moscow or Washington. It's what elected Ronald Reagan. At this moment, however, each country seems rela-tively relaxed about the other's global intentions. There is a new measure of cooperation or parallelism in regional hot spots. Each society has internal restructuring on its mind. That may make it easier for Mr. Gorbachev to contemplate frustration in Afghani-stan and Mr. Bush in Nicaragna.

In both places the clock is ticking. In Afghanistan the Soviets are still taking casualties and searching grimly for a safe political place, or at least a decent interval of post-Soviet survival, for (some) local communists. The Soviets can certainly make things worse for their tormentors and their allies if they stay on after the agreed troop-withdrawal deadline of Feb. 15, but only by making things worse for them-selves, too, in many disagreeable ways. In Nicaragna, the last \$27 million

in "humanitarian" aid to a contra army already driven mostly from the field of battle runs out March 31. The conservative hope, as uttered by Mr. Bush last week, is to mobilize regional pressures for democratization in Nicaragua. The liberal hope is to

move into a new stage of regional economic development. Each is a good cause facing a steep uphill climb.

Some people are taking a certain consolation in the prospective simultaneous retirement of both great powers. ers from their regional misadventures. Not only do they believe the world to be a better place if the superpowers stay behind their own borders, which is at least a debatable proposition, but, etecting no real moral difference between the respective interventions, they suggest that the humiliation is good therapy for the superpowers

and a deliverance for others. But there is a difference. Soviet power was applied to narrow the political choice in Afghanistan. U.S. power was applied to widen the po-litical choice in Nicaragua. After you have sorted out all the miserable mistakes of policy that were committed in both places, this is the abiding moral distinction. It shreds the notion that both great powers equally deserved to be chastened.

The Washington Post.

the U.S. Agency for International Development get permission from one side or the other, or, occasionally, from both, to bring in supplies. But outsiders seem to have less and less influence.

Yet if ever there was the time for the big push

this is it. After floods, drought and war, the

devastation is all but complete. Mr. Patten reckons

that one out of every two people in the south has

been killed. Thousands of children have died.

More than 300,000 walking skeletons have crossed

into Ethiopia. The people have had enough.

Recently, in an Egyptian-brokered initiative, representatives of Mr. Garang and the Demo-

cratic Unionist Party, second largest in the coali-

tion government, hammered out a peace accord that called for a constitutional conference and

suspending Islamic law. Mr. Mahdi's party, Umma, has welcomed it but the National Islamic

Front is strongly opposed. Since, hundreds of Moslem militants in Khartoum have attacked black southerners with stones, clubs and iron

bars, shouting, "No peace without Islam."

The wisps of compromise hang uncertainly in the air, but will need the efforts of everyone to

bring them to earth. This means not just Washington, but the whole of the West and Moscow, too.

It means Arab neighbors, like Egypt and Sandi

Arabia. And it means other members of the Organization of African Unity, using their influ-

ence as they have so successfully in the recent

The mass starvation in Sudan is one of the

great human tragedies of the 20th century. "The

damned," wrote Eugene O'Neill, "don't cry."

But we must weep for them - and struggle, too.

International Herald Tribune.

peace agreement for Angola and Namibia.

# In Pretoria,\* Dialogue or Repression?

By Anthony Lewis

N EW YORK — In what direction is President Pieter W. Botha taking his government? From South Africa last week came dramatically contradictory signals.

Abroad, the Botha government approved an agreement with Angola

and Cuba that would bring independence to Namibia, lead to withdrawal of Cuban forces from Angola and end South African military incursions there. The agreement may have signaled something more: a general South African decision to live at peace with its black-ruled neighbors.
At home, a three-year trial ended with four black leaders convicted of treason for arousing opposition to government policy. The judge's deci-sion seemed to point to even greater

repression of domestic opponents.

But then Mr. Botha, surprisingly, commuted the death sentences of the Sharpeville Six — black leaders whose case had evoked international concern. And the government an-nounced that Nelson Mandela, after recovering from tuberculosis, would be kept in a guarded residence instead of being returned to prison.

The treason convictions were extraordinary in their departure from Western legal standards. The defendants had committed no violence, nor aided any foreign enemy. They had led protests against the apartheid system. The judge, Kees van Dijk-horst, found that treasonous.

If the decision is upheld on appeal, the result would seem to be to make anyone who acts as a leader of black opposition to government policy liable to prosecution for treason. In effect, the government will be able to de-mand unflinching loyalty from those not allowed to vote for or against it. Over many years most of the out-standing black leaders in South Africa

have been detained without trial, imprisoned, exiled or killed. Those just convicted include some of the new generation of leaders. Two, Patrick Lekota and Popo Molefe, both of the United Democratic Front, the largest

internal anti-apartheid organization, are spoken of with special respect.

The repressive signal sent by their convictions was made clear by the Reagan administration's reaction. The State Department spokesman, Charles Redman, deplored them and said Pretoria's purpose in the whole trial had been to "neutralize prominent black opponents through protracted judi-

cial proceedings and imprisonment."
They were, he said, "highly regarded spokespersons for peaceful black opposition to the injustices brought by apartheid." He called it "inconceivable that their political activities would have qualified as treason or terrorism in this country or any other democracy."

South Africa reacted angrily. The justice minister, H.J. Coetsee, said: "I denounce and deplore America's uncalled-for interference."

fact of life for South Africa. Britain, West Germany and the United States had pressed hard for a reprieve of the Sharpeville Six. South Africans are frank in discussing the role of inter-national economic pressure in their current financial troubles.

Foreign opinion has to be one factor for Mr. Botha as he makes, over the next months, what may be fateful decisions for his country. He faces the choice really indicated by the events of last week: whether to move internally toward the path of negotiation on which he has embarked in

South Africa's external relations. There are short-run political reasons pression at home. He could hope thus to disarm the conservative white oppo-sition to his right, and get past a possible national election next spring.

But South Africa cannot find peace or prosperity in the white su-premacist model, and Mr. Botha knows it. The only way is to reach out to the majority. The Sharpeville commutations were a meaningful gesture.

Mr. Mandela's early release would be more important. But the fundamental need is to talk with black leaders. rather than putting them in prison.

There is no sign yet that Mr. Botha is ready for such dialogue. If and when

he is, he will have to find resources to meet black needs: desperate needs for education, housing and the like. He will be able to find those resources only if foreign investment resumes. Realism of a like kind is required from abroad. We have supported economic sanctions to encourage an end to the cruelty of apartheid. But the point is to encourage, not to pun-ish. If the government of South Africa takes genuine steps toward inter-nal peace, the world should react accordingly: encouragingly. The New York Times.

# There Are Ways to Ease the Third World's Debt

GENEVA — The change in U.S. presidents will provide an opportunity to explore more effective ways of coping with Third World debt.
The key to solving the debt prob-lem is to revive private bank lending. To encourage this, creditor govern-ments and intergovernmental agen-cies, like the International Monetary Fund and the World Bank, should guarantee future credits from private banks to the indebted nations.

At present, this credit has dried np. In the past two years, creditors have received \$46 billion more from debtor countries than they have lent in new money. Measures to reduce existing debts would discourage private lending. Creditor governments would be unlikely to fill the gap by increasing official transfers. Exhortations and arm-twisting by

governments and the IMF no longer have much effect on the banks. But there would be inducement in governmental guarantees for the repayment of interest and principal on new lending — but only on government-approved projects. Such government guarantees

would be no innovation. For years, the U.S. Export-Import Bank has been guaranteeing credits granted for foreign sales of U.S. products. In September it was announced that the United States had guaranteed \$5 bil-lion of Israeli debt securities that were "repackaged" from government military loans to Israel, and that Egypt, Greece, Jordan, Morocco, Pakistan, Tunisia and Turkey would be issued similar U.S. guarante If it is in the U.S. national interest

to issue governmental guarantees for bonds issued by these countries, why

is it not in the national interest to

next 10 years. This would give them The sums paid in local currency

would enter special accounts held by the creditors in the debtor country, was done by Britain when it blocked sterling payments after World War II. These accounts would enable the private creditor banks to avoid writing off the sums due, or even making debt-loss provisions in their balance sheets, while lowering the banks' current tax liabilities.

By Melvin Fagen

This would be an effective way to

lower the annual payments burden.

tions. Its ansterity policies, a condi-tion for adjusting debt burdens, have been misguided. Not only have they failed to stop inflation, they have

led to sharp declines in living stan-

dards, undermining regimes trying to move toward greater democracy. The IMF should help debtor coun-

tries reduce budget deficits by allow-

ing smaller debt-service payments in

foreign exchange. In the Philippines,

for example, such payments account

for one-fifth of the government budget.

It should request only gradual re-ductions in state subsidies for basic

foods and other goods on which living

standards depend. It should recom-

mend lower interest rates, to stimulate

investment in the expanded domestic production of basic foods and fuels.

ments institute expanded programs

for rural development, health care, education and social welfare. It

should help them set up and expand

programs for rural development.

It should insist on effective mea-

sures to repatriate capital unlawfully

transferred abroad - including mon-

ernment leaders - and prevent such

transfers in the future. Measures are

projects financed by foreign loans.
These are goals that the IMF should

and could achieve. New policies of this

kind, introduced by the next U.S. ad-

needed, too, to eliminate bribery on

ey taken out of the country by sov-

public health care and education.

It should help the debtor govern-

provide them for U.S. lenders who grant credits to debtor nations? By issning such guarantees for new private lending, the U.S. government would not be bailing out the banks, as To help ease repayment burdens, the IMF also could change the condi-tions it imposes on the debtor nait effectively does now by providing taxpayers' money, directly and through intergovernmental agencies, to help debtor countries pay current annual charges on their debts.

Another beneficial policy change would be large reductions in annual foreign exchange payments by debtor countries on their existing debts. For the foreseeable future, most Third World countries will be unable to pay even the interest on their debis, much less the principal, because of a lack of foreign exchange.

Rudiger Dornbusch, of the Massachusetts Institute of Technology, has suggested allowing debtor countries to make annual debt payments in their own currencies for the a breathing spell in which to begin recovery projects and under-take needed structural changes.

The blocked funds need not remain

idle interest would be paid on them. and transfers for productive domestic investment or other approved local spending could be authorized.

sures aimed at increasing the export receipts of Third World countries, would not require any real sacrifice by the industrialized countries. Rather, they would help to increase exports to Third World countries. The old policies have failed. Now is the time to change them. The U.S. government should take the lead.

The writer is a former director of the UN Economic Commission for Europe. He contributed this comment to the International Herald Tribune.

#### 100, 75 AND 50 YEARS AGO

1888: German Navy Plan

LONDON - The new German naval programme is a very ambitious and important one. The Government proposes during the next six years to complete for sea twenty-eight war ships. The determination of Germany to become a naval power of the second, if not the first rank, will be greeted with enthusiasm by German Chauvinists. The consequences of the new departure will at once make themselves painfully felt throughout Europe. Russia's position in the Bahic is already imperilled. France might find it hard to protect her Atlantic and Channel coasts if she were involved in a war with Germany and Italy combined.

1913: Zelaya Is Arrested NEW YORK - Senor José Santos

Zelaya, formerly President of Nicaragua, against whom an extradition warrant has been issued on a charge of murder, was arrested to-day Nov. 27]. It is stated that the arrest was ministration and coupled with mea-

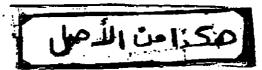
made at the house of a friend of Senor Zelaya's, into which the former President had been smuggled in a trunk. The charge brought against Senor Zelaya has reference to the execution of two Americans in Nicaragua.

1938: Stuporous Politics

SHANGHAI - Dr. M. Searle Bates,

American missionary and vice-president of the University of Nanking

today [Nov. 27] asserted that Japa-nese were drugging Nanking's Chi-nese inhabitants into submission through widespread encouragement of narcotic addiction. He said 50,000 persons had become heroin addicts since Nanking's sacking by Japan, and thousands of others had become addicted to opium. Meanwhile, Japanese troops violated the British territory of Hongkong in at least two places yes-terday [Nov. 26], according to reports from London. One report stated that seven persons were killed and the British flag replaced by the Japanese on the Chinese border of Hongkong.



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# ARAFAT: Arabs Back UN Shift

Repression to bar Mr. Arana. The cabinet secretary, Elyakim Rubinstein, said: "This was the right and welcome decision from all accounts, morally, legally, political-

By Anthony by "He added: "The record of the PLO on terrorism is crystal clear. It plo on terrorism is crystal clear. It was symbolically demonstrated in the last Algiers EW YORK In the py in a second reservation of the py in a second reservatio The Boths and a control of the Boths and a contr meeting by Abu Abbas, who was The state of the s responsible personally for so many murders, including the infamous Achille Lauro murder."

den et la amb a lead on. Commission (200) The Arab mobilization to move the UN debate was the most tangible political reaction to Mr.

South African decide to Mr. Arafat, in Amman, Jordan, for talks with King Hussein, re-Action of the property of the mained publicly silent Sunday as his lieutenants and as spokesmen for Arab governments raged against the decision.

Total disillusionment, anger

See that the best of and indignation" were the words used by Assad Abdulrahman, a PLO Central Council member. "People are really astounded." The foreign ministers of Egypt

some and the country and Iraq announced Sunday that contract that have been they were either delaying or canceling their scheduled trips to New Commence from the commence of York, in protest over the decision to bar Mr. Arafat. The Egyptian ment expression.
The meast agree with I Foreign Ministry issued a statement expressing its "regret" over

"The measure," it said, "does not agree with U.S. assurances of its commitment to work for establishing a lasting peace in the region as a central party in the peace process."

142 14 pt 100 strate To the La Auto that the In Amman, Foreign Minister Tre transfer Taher Masri said it was "really un-The last transfer to the fortunate" that the U.S. decision came "only a short period of time after the historic resolutions" No. of the second adopted by the PLO's parliamentwaster for the in-exile, which declared Palestine mad mining yes an independent state and called for a new peace initiative based on UN Security Council resolutions that implicitly recognize Israel's right to The state

Mr. Khalaf said Mr. Shultz, in making the decision, was "encouraging the extremists and putting the moderate Palestinians in an embarrassing trap" after the stand they had taken, as Mr. Khalaf put it, "for the sake of peace."

Tier, Spenie ----■ The U.S. Explanation Earlier, Robert Pear of The New York Times reported from Washing-

No. of the Control of Author water The Reagan administration said it would not permit Mr. Arafat to enter the country because he "knows of condones and lends

support to" acts of terrorism. Reagan administration officials said the Palestinian actions in Algiers were steps in the right direction but did not constitute the exties that would be required for the United States to consider recognizing the PLO and opening peace talks with Mr. Arafat.

The State Department said it welcomed Palestinian participation in peace negotiations. But it added, "No participant in a peace process can wave the flag of justice in one hand and brandish the weapons of terrorism in the other,"

Mr. Arafat addressed the UN General Assembly in 1974, saying he came "bearing an olive branch and a freedom fighter's gun." The visa issued then allowed him to visit the United States for business purposes.

State Department officials said the decision was different this year because opposition to terrorism had become a much more promi-nent feature of U.S. policy. In addition, they said, 51 senators, including Vice President-elect Dan Quayle, sent a letter to Mr. Shultz urging him not to issue the visa.

#### **Sakharov Urges Moscow** To Disclose Ethnic Toll

NEWTON, Massachusetts - Andrei D. Sakharov has challenged Moscow to disclose the full extent of casualties in recent ethnic clashes between Christian Armenians and Moslem Azerbaijanis.

The Soviet human rights campaigner made the challenge on Saturday, a day after he said that more than 130 Armenians had been killed and more than 200 injured in the Azerbaijani city of Kirovabad and asserted that Armenians there were facing a threat of

In Moscow, the Foreign Ministry spokesman, Gennadi I. Gerasimov, denied there was any such anti-Armenian onslaught. "According to my information, four soldiers were killed and two civilians. both Azerbaijanis," he said.

Mr. Sakharov urged the Soviet authorities to provide more details of the violence. He said he fully supported an appeal in Moscow by his wife, Yelena Bonner, who asked the outside world to contact Moscow to "demand that it tell the truth about the situation of the Armenians in Azerbaijan.

"I used those numbers that I received from several unofficial sources," Mr. Sakharov said at the home of Mrs. Bonner's children in this Boston suburb. "If Mr Gerasimov has other information, he

#### **SOVIET:** GORBACHEV: A Quandary

(Continued from Page 1) to produce something to show for his reforms, he runs the risk of giving ammunition to his political

opponents." Mr. Gorbachev made a similar point at a recent meeting with leading Soviet newspaper editors. He accused both conservative and "nitraprogressive" forces of "taking a malicions pleasure" from every setback to perestroika.

In his speeches, Mr. Gorbachev has appealed to his countrymen to wake up from decades of inertia and show some initiative. His problem is that the people who have responded to his call are not necessarily the people whom the Kremlin wants to encourage.

In an interview published Satur-day in Pravda, the head of the Soviet police, Yuri Shatalin, accused opponents of perestroika" of exploiting the new freedoms to chieve their own goals.

The most impressive mass movements in support of perestroika's stated aims of economic and political revitalization have appeared not in the Russian heartland, but in places like Armenia and the Baltic states on the rim of the country. The motivating force behind these movements has been not so much a desire to make the Soviet colossus function as it has a resurgent na-

21 in Nile Sailboat Drown Reuters

KHARTOUM, Sudan - Twenty-one persons drowned when an overloaded sailboat capsized Saturday on the Nile on the outskirts of plicit recognition of Israel and the Khartoum, the Sudan newspaper renunciation of all terrorist activi- al-Khartoum reported Sunday.

tionalism reborn after years of sup- Ethnic Tensions

In the case of Armenia, the popular mood quickly turned sour af-ter Mr. Gorbachev failed to support Armenian claims to the Nagorno-Karabakh Autonomous Region, an enclave in Azerbaijan. Demonstrators who carried portraits of Mr. Gorbachev in January and February, viewing him as the guarantor of democracy in the Soviet Union, now curse him for siding with Azerbaijan.

A similar process of disillusionment could occur in the once independent Baltic states unless Moscow is extremely astute in the way it handles popular aspirations for greater local autonomy. Pro-perestroika movements in Estonia, Lithuania and Latvia have collected more than 3 million signatures criticizing proposed changes in the Soviet Constitution that will be debated Tuesday in the Supreme

Soviet, the national legislature. An even greater potential headache for the Soviet leadership is the vast Ukraine along the country's western borders. With a population of more than 50 million, it is several times the size of the Baltic republics, Armenia and Azerbaijan combined. It also has an anti-Soviet political tradition, manifested dur-ing World War II, when Ukrainian victims of Stalin's brutal agricultural collectivization drive initially welcomed Nazi invaders.

So far, Mr. Gorbachev has been exceptionally prudent in encouraging political change in the Ukraine. The region remains under the tight control of Vladimir V. Shcherbitsky, 70, its longtime Communist leader and one of the last holdovers from the discredited administration of Leonid I. Brezhnev. ing Armenian communities.

(Continued from Page 1) janis, The Associated Press report-

ed from Moscow. The Soviet armed forces newspaper, Krasnaya Zvezda, said that troops sent to Kirovabad in Azerbaijan were patrolling barricades dividing Armenian and Azerbaijani sections of the city with no help from local party activists or

It reported that three Soviet sol-diers died after a bus driver refused to transport a number of wounded men to a hospital and, apparently, after local medical personnel refused to treat them.

"In the end, military doctors had to save the wounded," it said. A duty officer at Communist Party headquarters in the Azerbaijani capital, Baku, denied the charges.

Earlier, an Azerbaijan Foreign Ministry spokesman said that an emergency meeting of the party Central Committee in the republic Saturday had dismissed Ramiz Bagirly as party leader in Kirovabad.

The meeting also dismissed Nuradin Mastafaev as party first secretary in the Nakhichevan Autonomous Republic, another Azerbaijani area where violence broke out last week.

In Kirovabad, where beatings, drive-by shootings and firebomb attacks have killed at least seven persons and injured 160 in the past week, troops were still protecting the Armenian section Sunday.

Officials continued to deny assertions by individual Armenians that the death toll reached into the hundreds, and they tried to calm tempers by refuting rumors sweep-

#### JAPAN: By Adjusting to a Rising Yen, the Economic Miracle Continues of the economy abounds in Tokyo.

Construction projects can seem-

ingly be found on every corner.

Japanese consumers, many driving

larity in a country that long dealt

public spending was a 1985 plan

for restructuring the economy that

emerged from a government study

headed by Haruo Maekawa, a re-

tired governor of the Bank of Ja-

The report described how politi-

cal pressure from abroad and the

specter of protectionism made it

urgent that Japan reduce its depen-

While the report set a direction

for Japan, consumers and the gov-ernment were not galvanized until

1986, when the yen began to soar

The government passed an emer-

gency measure to increase public

works spending by about \$20 bil-

lion and has continued increasing

Now, government officials esti-

mate that Japan will spend several

trillion dollars on public works be-

tween now and the year 2000.

Bridges are going up, highways are being rebuilt and airports are being

and manufacturers panicked.

One inspiration for the boom in

only in cash.

dence on exports.

the figure.

built or expanded.

(Continued from Page I)
ant earthquake and a disastrous

war. This was just another transition we had to make to survive." new Mercedes and BMWs, jam the Two years ago, when the yen hovered around 160 to the dollar, streets in shopping neighborhoods like the Ginza and Shibuya. Credit cards are enjoying a wave of popu-

Japanese executives warned that if their currency strengthened further the giant export machine would halt, leading to recession, unem-ployment and bankruptcies. Now, with the yen nearing 120 to

the dollar, virtually all of Japan's biggest business sectors are thriving with record profits. Could Japan adjust to a further

strengthening of the yen, perhaps 100 to the dollar? "With enough time, I think so,"

Mr. Mimura said. in moments of candor, Japanese officials concede that Japan would not have initiated the changes without foreign pressure. But while acceding to those demands, particularly from the United States, Japan also turned them to remarkable advantage.

The same cannot be said of American companies, which have largely failed to use their currency advantage to export to Japan.

"We are way behind in getting serious about selling in this market," said Representative Richard A. Gephardt, Democrat of Missoun, during a visit here a week ago. 'lt's as much America's fault as

the most vocal critics of Japanese

Mr. Gephardt has been one of A tax cut further spurred private construction, and soon all over Japan the drab, concrete apartment

and office buildings that

Evidence of the transformation

trade barriers.

weekend with the vice president in Wednesday that he had picked Mr.

ported.] Under the plan, Mr. Bush will

erous parental leave policy.

said.

"I think we're all afraid of look-

Ellen Galinsky, the project direc-

range of decisions. Marcia Walley, more astute as they surveyed the all new jobs, so that by the year 27, is a management consultant at a job market. "When I go to business 2000 women will account for al-

Boston company that she chose schools," she said, "they ask ques- most half the work force.

slapped together after World War II began to disappear. Many thou-

While the domestic market be-

Giants like Toshiba and Matsu-

shita Electric closed unprofitable

factories. In several VCR factories,

the number of workers was cut by

half as robots began to do more

hired low-wage Taiwanese and

South Korean concerns to produce

and two other booms - one in the

land prices - created paper mil-

lionaires willing to spend their new

"Life has changed a lot in a

year," Peter Tasker, the general manager of research at Kleinwort

their basic personal computers.

gan growing, export-oriented com-

panies were retrenching.

have soared.

competitive.

first half of 1987.

"The domestic economy turned out to have a lot of latent power." sands remain, but housing starts

The big sellers have snob appeal or fancy technology - custom-designed kitchens, diamonds and original Impressionist art. Japan has become a huge market for designer clothes and foreign specialty foods.

When this year's Beaujolais Nouveau was released earlier this month, Japan Air Lines flew in five Boeing 747 cargo flights from France carrying 540 tons of the wine, about 45 percent more than last year. By this week, it was hard to find a bottle, even at \$32.

The government deregulated Japan has also embraced a new some of Japan's most hidebound generation of electronic gear, from monopolies, opening the way to an electric bread-maker that has new competition. It sold off its inbecome standard equipment in terests in Nippon Telegraph & Telephone and Japan National many kitchens, to large-screen televisions, which can consume a fair Railways. Both are slimming down and entering new businesses to stay portion of a Japanese living room.

West German luxury car sales have boomed, and Japan's own Still, at first it appeared as if the auto makers are battling back with moves would not be enough to luxury models of their own. forestall disaster. Corporate profits Executives see a change in the were badly battered through the

psychology of Japanese consumers.

For a long time there was an Things began to change in the second half of 1987, as government attitude that you had to save 20 or 30 percent of your salary," said spending invigorated the economy Takashi Matsuda, director of Tokyo stock market, the other in Honda Motor Co.'s domestic auto sales. "Now, young people spend everything they earn. They don't have any fear of the future."

> TOMORROW: How American monetary strategy went awry, speeding Japan's emergence as a financial

The strategic review is a project

#### **DEFENSE:** Senator Nunn Sees Mistakes in U.S. Weapons Procurement

wealth

(Continued from Page 1)

and cuts of more than \$200 billion over the next five years, these sources said. They said the review would also be needed to assure greater public confidence in future military spending programs in the face of expected indictments early next year of Pentagon consultants and contractors involved in procurement scandals.

[A Bush aide who spent the

(Continued from Page 1)

tests and everything else it will re-

quire at her age. She said to me:

had something to prove."

I don't want to be her."

You don't have to do what I did. I

The younger woman, who is en-gaged to be married, said she would

ke to have a child by her early 30s.

l love this woman," she said, "But

That fear seems to inform a

Kennebunkport, Maine, called the Scowcroft, a retired Air Force lieureport of a forthcoming major review of military strategy "speculative," the Los Angeles Times re-

name his defense secretary early this week, the officials said, adding that Senator John Tower is the expected choice.

Mr. Bush's announcement

Preparations by the Bush team to attack the military budget began tenant general, as his national secuduring the presidential campaign rity adviser surprised some of the and at that time were supervised by president-elect's close advisers, who had expected the announceTower and Mr. Scowcroft.

In the past, Mr. Scowcroft has publicly called for a thorough review of U.S. military strategy as a basis for forthcoming budgetary

She and others suggest that these

to be more accommodating.

ment this week,

leave policy?

ies at Bank Street College in New Labor Department says. In the

York, said that women had become 1990s, women will fill 60 percent of

promoted extensively by Mr. Scowcroft, who wrote, along with the former navy undersecretary R. James Woolsey, a chapter on military and arms control policy in the

American Agenda report delivered to Mr. Bush by former Presidents Gerald R. Ford and Jimmy Carter. In that chapter, Mr. Scowcroft **CAREERS:** Young Women Plan for a Balancing Act and Mr. Woolsey wrote that the early days of the new administrapartly because it offered flexible tions like: 'Who has the best child tion would require decisions about part-time arrangements and a gen- care?" Who has the best parental strategic and conventional arms control and the military budget,

"which will have much to do with ing back one day and saying. 'I concerns, along with a shrinking wish I'd done it differently,' " she labor force, will pressure employers overall federal fiscal planning for the entire administration." They also determined that "the only ways to make substantial early savings in the military budget are tor of Work and Family Life Stud- cent of the U.S. labor force, the to cancel major programs and to

> To do that, officials said, there will have to be a re-establishment of strategy goals.

> reduce the size of the armed

Thursday, December 1 As part of the "Journée contre le SIDA" the following restaurants will donate part of their profits



(Aide aux malades, à la recherche et information du public sur le SIDA)

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Louis GRONDARD Jacques LE DIVELLEC Paris Jacques MAXIMIN et Régine CHOUKROUN Ledoyen, Paris Guy MARDEL Marc MENEAU Alain PASSARD Jean-Paul et Gérard PASSEDAT Le Peut Nice, Marseille Panick PIGNOL

> Michel TOULOUSY Les Jardins de l'Opéra, Toulouse Gérard VIE Les Trois Marches, Versailles

James BARON Drouant, Paris Michel BERNARD L'Auberge du Pont Romain, Sommières Chez la Vieille, Paris Vonnas

L'Hostellerie du Château, Fère-en-Tardenois Collonges, Mont d'Or Pierre-Alain BONNIGAL Domaine des Hauts de Loire, Onzain Les Crayeres, Reims

Monsieur BURG Relais Princesse Marie Leczinska, Hagueneau Le Beauvilliers, Paris

Paris L'Espace Cardin, Paris Clément, Ardres Les Ambassadeurs et l'Obélisque, Paris L'Abbaye Saint-Michel, Tonnerre Louis XV, Monte Carlo Jean-Pierre FAVA Hostellerie du Bas-Bréau, Barbizon André GAUZERE Le Relais Miramar, Biarritz

Georges GILG Le Winstub Gilg, Barr Jules Verne, Paris Jean-Pierre HAEBERLIN L'Auberge de l'Ill, Illhausern Michel HELLIO A La Vieille Tour, Plerin José LAMPREIA La Maison Blanche, Paris

> Bernard LOISEAU La Côte d'Or, Saulieu Chorus Café, Pans L'Esperance, Vezelay L'Arpège, Paris Lucien PAULY Le Neptune, Saint-Avold Le Relais d'Auteuil, Paris Regine's, Paris

Odile STAUB Le Cambout, Metz L'Horizon, Thionville Jean-Pierre SPECK Le Stresa, Paris Le S'Geisstuewel, Geilpolsheim Pascal TINGAUD L'Auberge de Condé, La Ferré-sous-Jouarre

Pizza Pino Elysées, Paris

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TOTICE	F.F.	05-436 436	1,500	1,230	830	455
Germany**	DM	0130 25 31	580	403	320	176
Gr. Britain	3		135	83	74	41
Greace**	Dr.	691 02 42***	23,500	23,820	13,250	7,300
reland	£1rl		155	118	85	47
toly	Lire		360,000	295,200	200,000	110,000
unembourg	LFr.	49 49 60	11,000	7,200	6,000	3,300
Vetherlands**	R.	06-022 08 15	600	492	340	185
Norway**	N.Kr.	(02) 41 34 89*	2,000	1,276	1,100	600
Cortuguios	Esc.	(01) 80 71 23"	26,000	26,780	14,300	7 <i>,9</i> 00
Spain**	Plas	(91) 401 29 00°	31,000	21,780	17,000	9,400
weden**	S.Kr.	(08) 21 01 90*	2,000	1,276	1,100	600
witzerland	S.Fr.	046 05 68 00	455	455	255	141
Sest of Europe, I	N, Africa,		470	Varies	260	145
est of Afr. Gulf			620	ьу	340	190

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1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | 1.25 | E | B Mary E | B Mary E | B B Eurofleme Eurofl WestLB Fixed Income and Equities Trading -Western Europe (Other) for dealing prices call: 9.4 + 188 9.5 + 138 9.5 + 148 9.5 + sche Landesbank, Head Office, P.O. 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Monday, November 28, 1988

# 200 Years After Revolution, Vision of the Future Is Vague

By Theodore Zeldin

SK ORDINARY FRENCH PEOPLE how different they expect their future to be, and you will get a very interesting answer. They do not know. The French have been searching desperately for what they call a Grand Dessein, a vision of their

future, but it remains vague.

They are for Europe, but have no idea what Europe will be like. Raymond Barre recently summed up the dismay in his characteristic prose: What France lacks, he said, is a discourse on its national ambition. In other words, it does not know where it is going.

In the past, France's problem used to be that it did know where it was going, but never got there: It is still a long way from having achieved the objectives of the Revolution of 1789. The French are supposed to like everything clear and distinct, so this new uncertainty is regarded as intolerable by many commentators. But I think it is a sign of rejuvenation, for living in the modern world is all about coping with the

The opinion polls have never been very interested in people who say they don't know, regarding them almost as nonpersons, shadows. But the Don't Knows are beginning to assume new shapes. One-third of the

#### COMMENTARY

French population now refuses to be identified as being either Right or Left, and that proportion is growing. Two-thirds could not be bothered to vote in the latest referendum on the future of New Caledonia.

It may soon be the Don't Knows who will decide the country's fate. The reluctance to make quick or firm decisions extends even into what was once the most delicate sphere of all: Living together before getting married is now disapproved of by only 7 percent.

Don't Knows are an increasingly important international phenomenon. They used to be the ignorant, the indifferent, the hopeless and the dropouts; but they are now a much more complex, not necessarily irresponsible category.

The United States has long had problems with Don't Knows of the old style, and still does, as George Bush's election with about half the country abstaining shows. The Don't Knows of the new style choose that status on the basis of a combination of optimism and caution. In Britain, they are the floating voters who have established themselves as the dominant force in politics, responsible for the rise and fall of the Social Democrats; only 30 percent of the electorate has voted consistently for the same party over the last six elections; as in France, one-third refuse to think in ideological terms.

OW the French are also making a contribution to the politics of doubt: They are becoming more similar to their neighbors, less the irritating exceptions, so that what they think is increasingly instructive to the rest of the world.

Ouverture, the open mind, is the new French ideal, the new politeness, dissolving old hypocrisies. It goes further than glasnost, which says: Let us tell the truth about the past, let us admit we sometimes get it wrong (but we'll get it right eventually). Ouverture adds: Let us bury the past, and look afresh at every disagreement that has divided us, one by one; it is impossible to predict where we will end up.

In political party terms, ouverture is on the rocks, because it conflicts with what parties traditionally seek, but it has been more than a political



Intellectually, the French have been orphans since the loss of their Great Thinkers, who used to soothe them with explanations of what the world's confusions were all about. Ouverture is in some ways a substitute for the catchword of the '60s, structure, which implied that everything is interconnected and meaningful, and which fed the belief that social science was about to make it possible to run societies as

smoothly and predictably as machines. However, very few people have completely open minds, and so the question arises, how are closed minds to be opened? Edgar Morin, writing recently in Le Monde about the collapse of the old certainties, rightly saw that a new way of thinking is called for, once the habit of simplifying complexity is abandoned.

And yet, to achieve this, he could only suggest a sort of evangelization by teachers and intellectuals, comparable in style and dimensions to the Protestant Reformation. His suggestion recalls Jules Ferry — a Protestant, like Prime Minister Michel Rocard - trying, a century ago, to reform France through mass education.

The difficulty is that the teachers are themselves victims of not knowing: They do not know how to cope, given budget constraints, with the fact that 22 percent of French adults are illiterate, in the sense of having difficulty in understanding a written text; about half of those aged over 65 have trouble reading and writing. Illiteracy is increasing among the young, even though more children are being educated to a

higher standard than ever before. Universities have twice as many students as they can accommodate and have been canceling lectures because there is nowhere to hold them. Teachers have never been so demoralized.

And the intellectuals do not know how to escape from the ghetto into which they have withdrawn. France is supposed to be a country where the intellectual is respected. But Bernard Pivot's television literary chat show is watched by on average only 10 percent of viewers. That is roughly the size of the minority that values and enjoys the traditional forms of culture. In the United States, as a recent report to Congress has revealed, exactly the same proportion are enrolled in state-sponsored arts courses. In Britain, Channel Four aims to reach the same magic figure of 10 percent. Education has not converted the masses to its ideal

of the good life.

Finally, the government does not know how, in the foreseeable future it can give practical expression to the principle of ouverture, when faced by low-paid employees who do vital work, nurses and civil servants, demanding more equality and respect. It would involve challenging all Now the French are becoming more similar to their neighbors, less the imitating exceptions.

wage differentials, completely changing the criteria of what deserves to

be rewarded.

Personally, I do not see change being led by the established elite.

Individuals are becoming more resistant to influence, more different from each other, strangers or foreigners to one another. The foreigner, the person one does not know, is now the world's main fiddle.

He confronts one on three levels: personal (loneliness has replaced hunger as the major problem in Western countries), national (the immigrant is the great disturber of traditional identities), and international (can Europeans, or Americans, also be citizens of the world?). In this perspective, politics becomes the art of finding a way of overcoming fear of the foreigner.

It is for this reason that my researches on France have culminated in a book on Happiness. Happiness used to mean being in control, feeling comfortable in one's own family, attaining serenity, keeping the foreigner, the enemy, at bay. But in a world that is in constant change, this kind of static ideal is increasingly unartainable, particularly since one can no longer feel happy if other people are unhappy. The new ideal is not happiness, but creativity. The new challenge is how to democratize

HIS is what about a half of the young people in France, and elsewhere too, are vaguely craving for. It is customary to say that the young have become docile, unrebellious, and it is assumed they will remain so forever. That is to forget that one year before the riots of May 1968 the French government did a survey of the young and found them to be totally attached to traditional values.

Today, if one looks at what they aspire to, rather than at what economics forces them to do, one sees that 27 percent are interested in working in conventional commerce and industry, 28 percent want to do some form of public service, while no less than 45 percent have their sights on a creative or artistic profession, allowing them the highest degree of personal expression. Only 12 percent regard making money as their first objective; 50 percent put the interest of the job first. The young have not become morons. But often they do not know how to get what they dream of.

In this Age of Communication, what people are most conscious of is the difficulty of communicating; they do not just want to be loved, but above all to be understood.

Listen to me: that is perhaps the most common phrase in France today, spoken or unspoken. But most people don't know, are never sure, that their message has been interpreted as they would like it to be.

THEODORE ZELDIN is the author of "The French." His latest book, "Happiness," was recently published by Collins Harvill.

# Rocard Holds Firm on Austerity

By Julian Nundy

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ARIS - After six months in office, the government of Prime Minister Michel Rocard is buffeted and bruised by social conflict.

It is not Mr. Rocard's conservative political opponents who have caused the damage but small wage-earners, the very people who are considered the hard core of the electorate that returned President François Mitterrand and his Socialist Party to power last spring.

Since the rentrée, the end of summer vacations in September, traditionally a time of sharpening claws for new political battles, Mr. Rocard's government has been faced with repeated strikes across the public sector.

The stoppages, preceded by a strike at the two state television channels to protest the high salaries paid to a small minority of journalists, have involved nurses, postal workers, the rail-roads, metro and bus drivers in the major cities, prison guards, teachers and Air France maintenance staff, causing considerable disruption to the services they provide.

In all cases, the strikers sought increases to salaries, which sometimes hover just above 6,000 francs (\$1,000) a month in jobs with little

prospect for promotion.

The strikes have brought a sharp fall in Mr. Rocard's standing in public opinion polls after a summer in which he was riding high and have distracted attention from his and President Mitterrand's proclaimed desire to carry out ouverture, an opening to the center of the political stage, an ambitious long term project

to blur France's traditional left-right divide. The government's image was also dented by a record low turnout in a referendum on the future of the Pacific territory of New Caledonia on Nov. 6, when only 37 percent of the electorate bothered to vote.



Michel Rocard

This tarnished the effect of Mr. Rocard's most important achievement to date: An accord between French settlers and native Melanesian autonomists in the territory on mechanisms to end a crisis that had threatened to degenerate into civil war.

For many French voters, the referendum was the seventh time this year that they were called on to go to the polls. The earlier elections were held in April, May, June and September 1988. tember — first to choose a president, then a new National Assembly and, lastly, local councils. Each of those elections were two-round

In the words of former Prime Minister Raymond Barre, the New Caledonia referendum

came on "the tail of the comet" in a hectic political year and therefore aroused minimal

interest. Despite the poor showing in the referendum, the strikes and the absence of a parliamentary majority with which to govern, Mr. Rocard has reaffirmed his resolve to continue with his policies, and has said that his program of austerity, with accompanying wage controls, will continue until at least the spring of 1990.

In the background, his colleagues in the Socialist Party, worried by the prospect of a debacle in municipal elections next March, have urged him to need the message carried by the strikers and to make concessions.

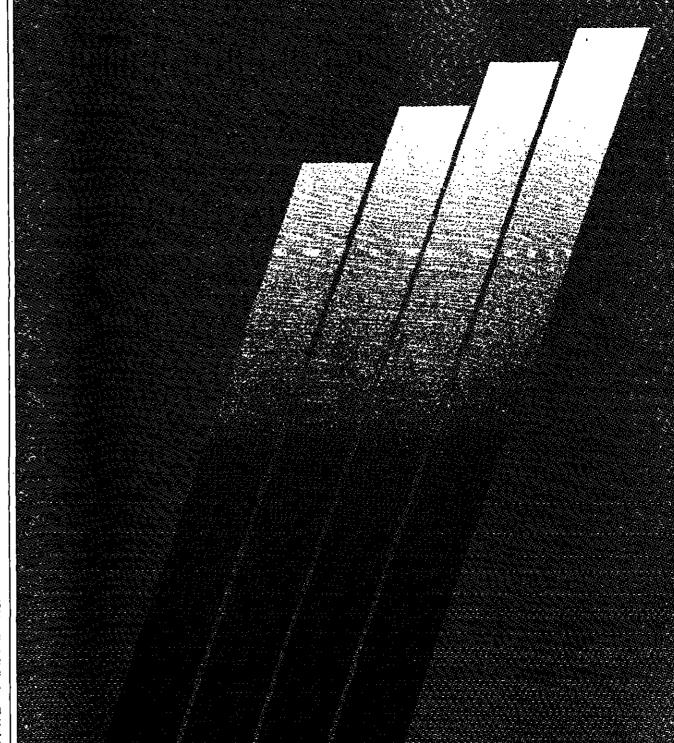
His refusal to do so has perplexed his supporters as President Mitterrand, under increasing criticism for what the media describe as a monarchical style of rule, has remained generally aloof from the fray. Mr. Rocard's popularity rating dropped from 53 percent in May to 41 percent in November, while Mr. Mitterrand's percentage slipped only from 54 to 49 in the same period, according to a poll in the weekly Journal du Dimanche.

Another poll, in the pro-Socialist weekly Le Nouvel Observateur, said that 65 percent of those questioned believed that Mr. Rocard was right to stick to his program of austerity but that 45 percent thought he had handled the recent strikes badly. Only 38 percent thought his approach had been the right one.

"Is Rocard naive?" asked the cover of the conservative weekly L'Express in a recent is-

In private, the magazine reported, Mr. Ro-card's friends had advised him to drop his frequent and admiring references to Pierre Mendès-France, a popular Socialist leader of The reason: Mendès-France, while fondly

Continued on page 9



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Optimism Emerges on Economy franc's link to the Deutsche mark in the Euroadvisory body, that "our economy is doing

By Reginald Dale

ARIS — Despite grumbling labor disputes and intermittent bouts of pressure on the franc, this autumn has brought a new optimism that France may be on the way to solving some of the deeprooted problems that have plagued its econo-

my for much of the past two decades.

With growth officially estimated at 3.5 percent this year, the highest since 1979, France is sharing in the unexpected surge of prosperity that is making 1938 one of the best years in recent memory for most of the Western industrialized world.

The bourse is booming, corporate profits are high and inflation, at 3 percent, is low; muchneeded investment is under way and labor productivity is increasing. There are signs that French exports are finally regaining an ability to compete on the vital European market.

A government survey last month found French industrialists in their most buoyant mood of the last 10 years and looking forward to even stronger business activity in the

months ahead. Since the return from the summer vacations, much less has been heard of the long-standing complaint that West German austerity and the

pean Monetary System are depressing French growth below acceptable levels.

But nobody would claim that the transformation of the French economy is complete.

Industrialists are in their most buoyant mood in 10 years.

The government's principal policy challenge in recent weeks has been to try to persuade strikers in the public sector that the time has not yet come to squander the benefits of years of

austerity by abandoning wage discipline. Summing up progress at the end of October, Finance Minister Pierre Beregovoy told the Economic and Social Council, a government

better but it remains vulnerable to the external It is widely agreed that a downturn in the world economy, or a recession in the United

States, could severely damage the still fragile French recovery. "The French do have to be careful about that," said J. Paul Horne, Smith Barney's Paris-based international economist. In addition, said Mr. Bérégovoy, the French economy continues to be marked by the "black

spots" of a worsening trade deficit and persistent unemployment, still over 10 percent and showing only slight signs of improvement. Mr. Bérégovoy welcomed the fact that recent growth has been investment-led. For busi-

ness as a whole, investment is increasing at an annual rate of 9 percent, and by as much as 14 percent in the industrial sector alone, he said. He warned, however, that fast growth was creating bottlenecks in industries that had recently been in crisis, with damaging consequences for the trade balance. There was a

ductive capacity, he said. A similar warning was issued last month by economists at Phillips & Drew, a London bro-Continued on page 8

continuing vital need for more investment to

modernize aging equipment and expand pro-

# "WHEN I GROW UP I'LL BUILD THE

Today, Aerospatiale is one of the very few constraints and the family of ATR aircraft. The missile systems for the free world. Industrial addiversified satellites. In each endeavour Aerospator, technical designer and constructor. To achieve

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# Fearing Business Downturn, City in North Campaigns for TGV Route

No city has fought harder than Amiens. Its battle is a measure of the hopes that ride on the train.

By Henry Tanner

ARIS -- A little more than five years after the first new orange-and-gray high-speed train streaked down the 285 miles (461 kilometers) of its special straight-line track from Paris to Lyon in just two hours, the TGV, or train à grande vitesse, has been the stuff that French politicians, from cabinet minister to small-town mayor, are dreaming about.

The pride of French technology, the TGV is seen by many as the transport system that will open up the country's regions to one another, bringing them industrial growth and prosperity and relegating airlines and super-highways to secondary roles first in France and then in

"It is the train of the next century; no city can afford to ignore it," said Jacques Dian, the head of a supermarket chain in Amiens, the city in northern France, which is fighting to get

The TGV-Sud, from Paris to Lyon, now has 12 trains and more than 4,500 passengers a day. Beyond Lyon, the train continues on conventional tracks and at slower speeds to Marseille and Nice in the south, and to Geneva and the tourist centers of the French Alps to the

Construction of the TGV-Atlantique from Paris through the Southwest to Bordeaux and eventually the Spanish border is well advanced, with the first trains scheduled to run to

Le Mans next year and south of Tours in 1990. The TGV-Nord, from Paris to London and Brussels, will be ready for the opening of the Channel Tunnel in 1993. The chosen route runs straight north to Lille, from where one branch turns west to the tunnel and the other east to Belgium and beyond, to Holland and

Cologne, Germany.

The novelty in the Paris region is a belt of

new, mostly underground track that will link the three big lines. Some of the trains arriving from the north, for instance, will branch off at Charles de Gaulle Airport and move onto the tracks to the south and southwest. They will not go to the center of the capital and the big overcrowded stations there.

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This will make an almost revolutionary dent in the highly centralized structure of French political and economic life by breaking the centuries-old rule that "all roads lead to Paris." For the first time provincial businessmen, lawyers, college professors and others will be able to make round trips the same day to most of

the country's other regions. No French city has fought harder to get a TGV than Amiens, the capital of Picardy, and its battle is a measure of the hopes that ride on

Amiens has been a crossroads ever since its entrepreneurs in the 14th century discovered that a plant growing in the rich Picardy soil was ideal for dyeing cloth. Soon the merchants of Antwerp and London as well as Paris were bringing their velvet and other precious tissues to the local dyeing works — and this, in the words of a local politician, "produced the wealth it took to build the Amieus cathedral," which is one of the finest in France.

It is this wealth that the Amienois now fear is slipping away. The city of 130,000, rebuilt after being destroyed in two world wars, has an aging industrial structure. The textile industry has virtually ceased to exist with Lee Cooper. the jeans manufacturer, closing down three of its four factories in the region in recent months. Other industries have taken up some of the slack. But unemployment is more than a percentage point above the national average.

"We must modernize; create new highergrade industries; become attractive to executives and professionals, to people with briefcases who are willing to ride a train for 300, 400 leaders are determined that no one kilometers a day," said Mr. Dian, adding that able to say they didn't fight this time.

From Paris by Train By 1992, London and B be 3-hour TGV rides PARIS 1.90 (1989) New high-speed tracks Conventional tracks used by TGV

the TGV was essential to such modernization. "We are strong on blue-collar workers but have no white-collar jobs for the graduates of

our university," he said. When France's first superhighways were planned some 30 years ago. Armiens did not put up enough of a fight, and the Autoroute du Nord leading to Lille and Brussels was cut straight through the countryside some 50 kilometers to the east. This is the routing that has now been chosen for the new trains. City, leaders are determined that no one shall be

the recent referendum in which the government in Paris asked the voters to endorse its policy on the Pacific territory of New Caledonia. More than 2,000 Amienois invalidated their ballots by writing that what they en-dorsed was the TGV. The city has launched a number of highly publicized protests, includ-ing the buying-up by individuals of hundreds of tiny plots along the proposed route, to delay

The depth of popular feeling was shown in

At stake, says Joseph Gouranton, a leader in the campaign, is not only the future but the

city's existing economic position: More than half the conventional express trains now running through the city will be eliminated when the TGV goes into service, causing the loss of many local jobs and adding hours to business trips in all directions. Existing freight lines also

Mr. Gouranton cites two examples. When France's railroads were first built around the middle of the last century, the city of Le Mans, southwest of Paris, welcomed it but the people of Alençon, its neighbor, were afraid that the sparks from the locomotives would set fire to their straw. Today, Le Mans has some 150,000 inhabitants and Alençon 35,000.

François Cosserat, a city councilor, accuses the national railroad company and successive governments in Paris of planning a rail network that favors a handful of leading cities but neglects the rest of the country. Lille and Strasbourg are the only cities in the northern half of France that will benefit while cities like Rouen, Metz and Nancy are not regarded as valid focal points on a European scale, he says.

In a gesture to appease Amiens, the govern-ment recently confirmed plans for a second TGV line leading past Amiens straight to the Channel Tunnel to be built later. But leaders of the Amiens campaign argue that by the time this line is built, if ever, new traffic patterns will have been consolidated and Amiens's loss will be permanent. They add that the new through-line will not give them the links with other regions and Northern Europe that they

This view is not shared by Gilles de Robien, the centrist candidate for mayor, who thinks the city now should concentrate on making the most of the promise of a second line. The issue may decide the municipal election early next

Bourg-en-Bresse, the town near Lyon where both the TGV and the superhighway branch off toward Geneva and the French Alps, is cited as the example of a prime beneficiary of the fast trains. The town and its region have one of the lowest unemployment rates in

But according to Daniel Veylon, an assistant to the mayor, the town has been able to make most of the opportunity only because it had all

railroads, a good infrastructure, hotels and other facilities. "You have to be ready for it,"

The notion that the TGV is an asset only to economically strong regions and cities, and a possible danger to others, seems to be borne dut by an independent study made by members of the National Committee for Scientific Research at the University of Lyon. The study warns that the TGV can be a double-edged sword — bringing benefits to strong regions but drawing jobs and investments away from their less developed neighbors.

The more big cities are linked to the network, the more badly hurt economically and culturally are those that do not get it, said the director of the study, François Plassard, apparently confirming some of the worst fears of

The study found that the cheap fares of the TGV have made French business "more democratic" by inducing companies to send lowerranking copployees on trips that had been reserved to top executives in the era of air travel. More and more business travelers between Paris and the provinces return the same day, and some hotels and restaurants are suffering as a result. Owners of country houses were found to make more frequent trips.

"In 20 years perhaps the TGV will revolutionize the social and economic structures of France but it hasn't happened yet," said Mr.

At the offices of the state-owned railway company, officials take a hard-nosed view of the problem of selecting routes.

The TGV is meant for distances above 300 kilometers, a planning executive said, adding: We are a commercial company. Our first priority is profitability rather than economic development. We respect the potential of a region; we don't build trains into the desert."

The line to Lyon is operating at an annual profit of about 15 percent — double the rate of a profitable conventional line — and profits to London "will be very, very good with the nannel." he said.

HENRY TANNER is on the staff of the Inter-

# **National Front Suffers Reversals** After Boost in Presidential Poll

By Julian Nundy

ARIS - If the French needed a reminder that anti-Semitism was still alive, it was on Nov. 10, the 50th anniversary of Nazi Germany's Kristallnacht, that the message was delivered. As synagogues held memorial

services to mark the day that, in 1938, Jewish-owned homes, stores and businesses were smashed and the Star of David and the word Jude were daubed on 30 Jewishowned stores in Paris's Sentier district, known for its ready-to-wear workshops and wholesalers.

The incident blamed by police on two neo-Nazi groups, was one in a series of examples of extremist behavior that have troubled the French scene in recent months.

They have coincided with a dramatic decline in the fortunes of the far right National Front of Jean-Marie Le Pen, a party that started the year with 34 deputies in the National Assembly and now has

Some analysts say they fear that, trounced on the conventional political stage, the extreme right is slipping into a marginal role.
The National Front, whose

anti-immigration stance brings frequent charges of racism from its opponents, looked at one point this year as though it might become a political power-broker before a string of reversals prompted a rapid fall

In April, Mr. Le Pen took 14.4 percent of the vote in the first round of the presidential elections, far ahead of any opinion poll pre-

The result made it look for a while as though the conservative politicians would be tempted to seek electoral alliances with Mr. Le Pen and espouse some of the National Front's aims.

Pulling in 28 percent of the presidential vote in Marseille, Mr. Le Pen ran for election in the city in the parliamentary poll that followed in June. Before the second run-off round

of voting, the conservative parties in Marseille entered into a pact with the National Front to fight off the left, a tactic that lent weight to some of the fears sparked by Mr. Le Pen's presidential showing.

However, with the end of a short-lived experiment in proportional representation, Mr. Le Pen and all but one of his colleagues from the old parliament lost the

And the only deputy to be returned on the National Front ticket, Yann Piat, was expelled from the party in October after she had attacked Mr. Le Pen for his "dormitory humor" and then refused to follow the front's instructions in a parliamentary vote.

Mrs. Piat was one of three major figures in the front to leave after Mr. Le Pen provoked a controversy with a play on words that recalled the Nazi gas chambers.

Attacking Michel Durafour, the centrist public service minister, for remarks he had made about the party, Mr. Le Pen shouted the words "Durafour crêmatoire" at a rally in Septémber, a play on four crématoire, or crematory oven.

The incident prompted the Gaullist Rally for the Republic, led by former Prime Minister Jacques Chirac, to declare that it



Jean-Marie Le Pen

would never contemplate alliances with the front At the same time, Mrs. Piat chastized her party president for his comments.

Two other front leaders, François Bachelot, a doctor and former deputy, and Pascal Arrighi, the party chief in Marseille, were expelled for similar criticism.

The party's leadership was further weakened in early November,

least one senior member of the National Front was implicated in the protesters' actions. On Oct. 22, 13 moviegoers were

injured in a fire started in one of two Paris theaters showing the

against the showing of Martin

Scorsese's "The Last Temptation

of Christ" in French movie the-

aters took a violent turn and at

Police, who made several ar-

rests, later said they had found in

the home of a National Front

member of the European Parlia-

ment. Romain Marie, copies of

unsigned documents telling the al-

leged perpetrators how to behave

It was Mr. Marie who, during

the National Front leadership

meeting that expelled Mrs. Piat,

declared, according to French press reports: "The Jewish lobby

wants to become master of the

world. We have to crush the Jew-

ish, freemasons' and media lob-

remark was indicative of a new

line that the National Front has

According to Dr. Bachelot, this

Some analysts fear that, trounced on the political stage, the far right is slipping into a marginal role.

when Jean-Pierre Stirbois, the front's 44-year-old secretary general, died in a car accident.

Mr. Stirbois, a fiery orator and one of the movement's hardliners, had dismissed his three colleagues as "disappointed opportunists" who had turned against Mr. Le Pen once the party's fortunes had

hegun to deteriorate. Mr. Stirbois's funeral was conducted in Latin by traditionalist Roman Catholic priests. Many French traditionalists, some of whom have followed Archbishop Marcel Lefebvre in his schism with Rome, make little secret of their support for Mr. Le Pen's par-

Earlier, Catholic protests

but part of a strategy."

In meetings before his expulsion, he said, attacks on the three lobbies had been advocated as a means of reinvigorating the Na-

ing," Dr. Bachelot said. "The National Front's enemies are those who support the 'anti-France,' those who have always decried the national right. The 'anti-France.' according to this analysis, is made up of the lobbies of the press, freemasons and Yews. The National Front from now on will be deal-

ing with this subject constantly."

Mr. Le Pen, who is quick to issue writs for libel against those who accuse him of racism, denied any such intentions at a National

those who wanted to "pit the Jewish community against the National Front and against the idea of the nation."

He added that his foes wanted start a fight against French patrinity is not patriotic."

National-Hebdo, the National Front weekly, has referred in re-cent weeks to "Jewish racists" that, it said, French justice authorities were afraid of prosecuting and to "anti-Goy racism."

to signal their difference by wearing a star," a commentary in Na-tional-Hebdo said, "the Jews, on the contrary, want to stop non-Jews from proclaiming their iden-

The article, as it appeared, was unsigned. It was later claimed by the weekly's news editor, Serge de Beketch, who, in response to press criticism, wrote in a later issue: "It used to be that a racist was someone who profaned a Jewish cemetery. Now a racist is someone who accuses of racism a Jew who has profaned a Christian tomb."

Another writer, François Brigneau, describing unflattering com-mentaries on Mr. Stirbois's political career after his death, called one journalist "an assimilated Jew with centrist tendencies" and another "a less assimilated Jew of Socialist tendencies."

In an editorial that was peppered with stronger epithets and that has since earned him a libel suit, Mr. Brigneau described the two journalists' assessments of Mr. Stirbois as "the last (Kosher) spit" that the National Front leader would receive.

In the following issue of the weekly, Mr. Brigneau touched on the theme of the three lobbies raised by Dr. Bachelot in a discussion of the role of the late Pierre Mendès-France, a Socialist prime minister in the 1950s. Mendès had everything to suc-

ceed," Mr. Brigneau wrote. "He was Jewish and, even better, was a mixture of Sephardi and Ashkenazi. He was a freemason, an important freemason. . . . He had a young, ambitious and talented journalistic team at his disposal."



expropriation procedures.

Front raily.
It was, he charged, the work of

"to make the Jewish community believe that it is persecuted, to ots. This, in turn, would make it look as though the Jewish commu-Whatever Mr. Le Pen's explana-

tions, articles in journals sympa-thetic to the National Front have given its opponents further material to justify charges of anti-Semi-

remembered by the French, was prime minister for only nine months in 1954. Mr. Rocard, 58, who has presidential ambitions. will need to remain considerably longer to establish his leadership

Where the Nazis forced Jews Among his opponents, Gérard Longuet, a leader of the conservative wing of the center-right Union for French Democracy and a for-mer minister, dismissed the prime minister as a man "capable of tearing up a winning lottery ticket."

Mr. Rocard has proclaimed him-

> The media want public life to be transformed into a wrestling bout," he said recently. "It would be the most serious of weaknesses to drift into that and eventually to be unable to govern."

self largely unmoved by such criti-

Continued from page 7

If Mr. Rocard can continue to govern with some equanimity, it is also because his foes are in disarray, exhausted by a series of setbacks at the polls, divided on their future strategy and unable to pre-sent a credible alternative for the The main element has been a

and conservatives who have been in an often uneasy coalition against the left since Charles de Gaulle ed "no." founded the current Fifth Republic The presidential elections last

May ended two years of cohabitation in which a conservative government led by Prime Minister Jacques Chirac, the leader of the Gaullist Rally for the Republic, had run the country under the Socialist head of state

Mr. Mitterrand beat Mr. Chirac convincingly in the vote and then munists in parliament, holding to a sought to compound his victory by declaring a willingness to work those of the right," abstained to with the center, by implication with ensure the bill's passage on Nov. Mr. Chirac's allies.

Once named prime minister, Mr.

Nurses in Paris in one of many demonstrations this fall for better pay and conditions. Rocard Holds Firm on Austerity

government, although several min-isters were named from outside third-placed centrist candidate in wishes for France in the following professional politics, and is still far the presidential elections.

support from others. But the prospect of an influential role prompted the 40 centrist Na- term began in 1981, he said this tional Assembly deputies in the month that he hoped the situation Union for French Democracy to would produce a "responsible and form their own parliamentary group, setting themselves apart chew systematic opposition. from the more conservative members of their own formation. On occasion, they have voted differ-ently from their colleagues. Perhaps the most telling example

from gaining regular parliamentary

of the differences on the right came with the New Caledonia referendum, which instituted a 10-year process that will lead to self-determination in the territory.

The Gaullists, going against the wishes of Jacques Lafleur, the head of their New Caledonian associate party, called for a boycott. Both conservatives and centrists in the Union for French Democra-

cy, like the Socialists, called for a yes," while the far right National Front called on its supporters to vote against the measures. In the event, almost 80 percent of those who did vote supported the

government, but the abstention rate was so high that the impact of growing nit between the centrists the poll was severely undermined, particularly as the majority of European settlers in the territory vot-Mr. Rocard's most important parliamentary test so far has been the passage of his first budget.

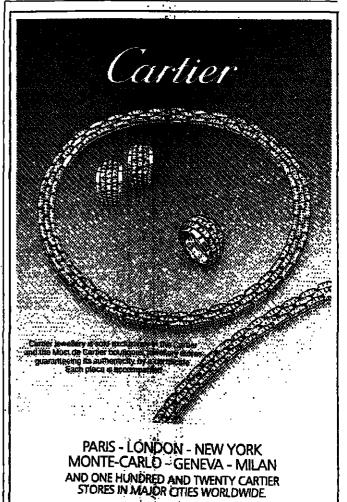
With all but the Socialists opposed to his budget, it looked as though Mr. Rocard, with only 276 seats in the 577-seat assembly. would have to resort to a constitutional device that would have made the budget an issue of confidence.

In the end, however, the 27 Compledge "not to mix our votes with

In the wings, making little secret Rocard attracted only three well- of his desire to profit from all the known centrist politicians into his currents of modern French politi-

A former economics professor "The grand design is simple: a fair distribution of the fruits of our who was prime minister for five years until Mr. Mitterrand's first growth, a better education system, effective social protection. a France that is just and reconciled would produce a "responsible and to the service of world peace and autonomous force" that would es-

As for Mr. Rocard, accused of running the country from day to JULIAN NUNDY is on the staff of day with no long-term project, he the International Herald Tribune.



حكذامن الأصل

MONDAY, NOVEMBER 28, 1988

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#### **EUROBONDS**

## **Money Managers Prefer Underweighting in Dollars**

By CARL GEWIRTZ

ARIS — Most professional money managers in the major financial centers use the phrase "underweighted in dollars" to describe their current portfolio strategy, despite sharp differences of opinion about the advantage of holding stocks rather than bonds. Interviews with portfolio managers of six nationalities - American, British, French, German, Japanese and Swiss - showed that the only strategists who were very positive about the dollar were those working for the

U.S. investment bank Morgan Stanley.

"The dollar looks cheap," said Michael Daley, vice president of Morgan Stanley Asset Management in London. Accordingly, he advises that 48 percent of money invested in bonds should go into

All the other

managers say

their strategy

the dollar."

is to "underweight

dollar instruments. Overall, Morgan Stanley advises that 35 percent of total investments go into bonds and 60 percent into stocks, with the remainder in cash.

Michael Cowan, an equities strategist at Morgan, said he would put 45 percent of the equity investment into U.S.

But all the other managers, regardless of their differing views on the merits of stocks versus bonds, say their current strategy is to "underweight the dollar."

The positions range from "slightly underweight" at Nomura Investment Management Co. and Lazard Brothers to "substantially underweight" at Banque Julius Baer, Banque Paribas and Capital Management, a unit of Deutsche Bank.

Bernd Appenzeller, chief investment officer of Capital Management, said he had hedged his underweight position in the dollar by buying dollar call options. That way, for a minimum investment, he feels protected against the possibility that the dollar will suddenly recover sharply on the foreign exchange

Nobumitsu Kagami, executive managing director at Nomura in Tokyo, said, "Short-term, there may be some further dollar weakness." But taking a longer view, he added that "12 months from now, we'll see little change" from the current dollar/yen

This contrasts sharply with the view at Banque Baer, where Leo Loretan, a senior vice president, said he feared that "over the next nine months, we could see another 10 percent decline" in the dollar's value. As a result, the Zurich bank is now reducing its exposure, cutting dollar-bond holdings to 25 percent from 30 percent recently and 40 percent last May. (The accompanying table on Page 12 shows how current portfolio recommendations compare with those made in earlier surveys in May and February of this year.)

N ADDITION to holding divergent views on the future of the dollar, money managers are far apart on how they would divide assets between stocks and bonds. An extreme position is held by Alain Leclerc, managing director of Paribas Asset Management, who puts 85 percent of his portfolio in stocks, with the bulk of those in Europe. In all three surveys, Paribas has consistently been the most heavily invested in stocks, but not to such an extreme as to eliminate bond investments.

"We anticipate a very positive year for equities," Mr. Leclerc said. "We see economies still moving ahead all around the world, with some decrease in speed in the United States and some stabilization in Japan." With price/earnings ratios in all the major markets outside Japan still 30 to 50 percent below the levels held before the October 1987 collapse in global equities, Mr. Leclerc said he thought that increased corporate profitability

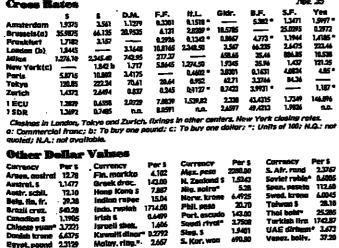
would translate into higher stock prices Assuming no increase in inflation, which Mr. Leclerc acknowledges is a risk, he said that "long-term interest rates may decline, a development which would benefit equity markets more than fixed-income markets." That is because the money that fled stock markets last year is still in cash or short-term instruments. When this "huge reservoir of liquidity returns" to equity markets, it could dramatically lift stock prices.

Thus, "for growth portfolios, zero investment in bonds," he said, "For more cautious investors, 35 percent for bonds." "Obviously, this is a scenario that has got to be watched carefully," he added. That is why Paribas chooses only stocks of large companies. "We want liquidity, to be able to jump out if

He recommends that 53 percent of the stock purchases be made in European companies, with the most heavy concentration in France and Britain. He favors food companies, such as BSN in France and SME in Italy; and financial services concerns, such as Société Générale in France, Bayerishe Vereinsbank in West Germany, Aegon insurance in the Netherlands, Sun Life and Abbey Life in Britain.

Because he sees "some dollar weakness, but not dramatic," Mr. Leclerc is more heavily invested in Japan and the Pacific basin See PORTFOLIO, Page 12

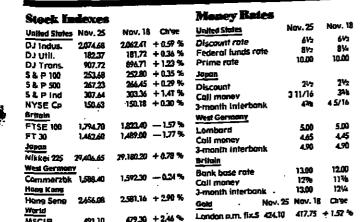
### **Currency Rates**





quities Trading

#### Last Week's Markets All figures are as of close of trading Friday



# European Economy Shows New Life

#### Low Inflation, Strong Investment Make Growth the Best in a Decade

By Steven Greenhouse New York Times Service

PARIS — Western Europe's economy is growing at its fastest rate in a decade, and many economists predict that next year it will grow

Europeans are so heartened by their robust 3.5 percent growth rate that they have stopped talking about Eurosclerosis, the slow-growth malady that was said to be pulling down the Continent's economy. From 1973 to 1985 the European economy grew at an average annual rate of about 1.9 percent and generally lagged far behind growth in the United States.

"The economic situation is the best it has been the whole decade," said Peter Pietsch, senior economist with Commerzbank in Frankfurt. "We believe the economic strength will continue right into

Business executives have enjoyed a surprising surge of confidence on the basis of booming corporate profits, low inflation, strong world trade and hopes of greater East-West commerce. The prospect of a barrier-free market when the European Community drops all of its internal barriers by the end of 1992 has also brightened their

But even with its higher growth rate, Europe is making little progress in reducing its unemployment rate of nearly 11 percent. Many economists say this figure is not likely to drop unless Europe can push its annual growth rate up to 4 percent or more, and that will

Some government officials, most notably those in Britain, are already saying that their economies are growing so fast that inflation

If the European economy grows as predicted in 1989, unemployment will fall only "by one-quarter of a percent or so," said Jacques Dreze, an economics professor at the Catholic University of Lou-vam-la-Neuve in Belgium. "At that rate it would take 15 years to get

unemployment down to a satisfactory level." Joblessness in Europe has hovered above 10 percent for five years because of slow growth, low investment and plant shutdowns in basic industries such as steel.

Long-term unemployment has become a severe problem: About two-fifths of Europe's 19 million jobless have been out of work for a year or more. And many of these long-term jobless do not have the

skills for the new service jobs being created.

"What Europe desperately needs is more investment in skilled manpower," said David Mars, an economist with Warburg Securities in London.

For Europeans, another piece of bad news is the weak dollar, which will make it harder for Europe to sell its goods to the United States. Beyond that, they fear that the recent decline of the dollar might turn into a rout that could shake up the financial markets, push up interest rates and undermine Europe's economic health. "The major problem at the moment is the dollar," Mr. Pietsch said. "There's a fear that the dollar could come down again substan-

Like the American economy, the European is growing far faster than experts were predicting after the stock markets collapsed in October 1987.

Last December, the Organization for Economic Cooperation and Development projected that the European economy would grow by a sluggish 1.75 percent this year. In June the Paris-based organization revised its estimate to 2.5 percent.

Now economists are estimating that Europe's economy will grow

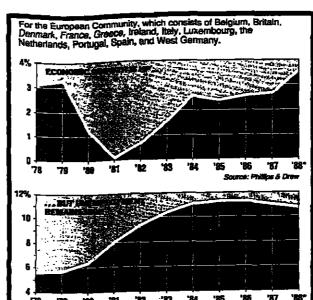
close to 3.5 percent this year and about 2.5 percent in 1989.

"There was a lot more momentum going into the crash than people realized," said Paul Cockle, an economist with DRI Europe. "You

have to go back to the 1960s to find growth rate trends like these in One thing that surprised many economists is the sharp accelera-

Meinhardt Miegel, director of the Institute for Economic and Social Research in Bonn, said companies did not have to expand their productive capacity to meet demand during the first few years

tion in European growth even after five years of an economic



"But when that growth lasted for five or six years, businessmen started to foresee a shortage of capacity," he said.

As a result, capital investment in France is expected to spurt by 7 percent this year, compared with an average annual increase of 0.2 percent over the previous decade. In West Germany, investment is expected to rise by 6 percent,

compared with an average of 1.5 percent during the past 10 years. In the mid-1980s many European companies were putting their cash in financial instruments rather than productive investments like plant and equipment because paper investments offered higher

Last year's stock crash, however, caused some executives to rethink that policy. And the lower interest rates and looser monetary policy that followed the crash made productive investments more

"Keynes talked about the animal spirits of businessmen," said Warren Oliver, an economist with Phillips & Drew, a London brokerage house. "This is one of those times one is forced to sympathize with that view."

He said that some time in 1987 business confidence suddenly blossomed in Europe. Oil prices fell, wage gains remained moderate and corporate profits returned to levels of the 1960s. In addition, increased trade with Eastern Europe seemed likely and the recovery from the 1982 recession was continuing.

All this helped increase productivity, which allowed for increases

in profits and real earnings. And this, in turn, increased demand and

"We're in a virmous circle that has replaced a vicious circle." said Mr. Mars of Warburg Securities.

In Britain, especially, and to a lesser degree in France, Italy, West Germany and Spain, growth and investment have been encouraged by government policies that reduced taxes and regulations. What is more, after years of restructuring through mergers, joint ventures and corporate streamlining, many companies finally feel ready to push ahead with investments.

Perhaps the most surprising economic news is the performance of

The largest European economy is well on its way toward registering growth of more than 3.5 percent this year, a development that has lenced the many critics who have urged it to grow faster.

American officials have long urged West Germany — and all of Western Europe - to grow faster to help keep American factories busy in the event that the United States reduced consumption and its

budget deficit.
"We now have the conditions so that Europe can take over some of See EUROPE, Page 13

# **U.S. Tool Orders Posted 19.5%** Fall in October

By Kurt Eichenwald

was also 1.2 percent less than what it was in October 1987. Still, tool orders for the first 10 months of the year have reached \$2.99 billion, 72 percent higher than during the comparable period in 1987, the Association for Manufacturing Tech-

Analysis had expected the level of orders to rise after the industry's technology show was held in Chicago in September. Buyers have tradi-uonally delayed purchases until they have inspected the latest equipment at the show. But the number of orders climbed in the month before the show, and dropped afterward.

"You've definitely got a reverse pattern this year," Mr. Lustgarten

Machine tools are power-driven devices that cut or shape metal parts used in appliances and vehicles. Economists consider their sales to be an important indicator of capital spending by the makers of such large metal products as automobiles and airplanes. The strength in machine-tool orders reflects strength in such industrial production.

# He added that many manufac-turers were closely scrutinizing the actions by George Bush, the presi-dent-elect, to determine what effect

the new administration's economic

policies might have on the industry.

abroad are now watchful, waiting

to see what steps the incoming administration will be taking to keep

our economy on the strong course set over the last eight years," Mr.

Mr. Gray added that orders from

foreign customers remained strong. While foreign orders slipped in Oc-tober to \$23 million, down 2.5 per-

cent from the previous month, the

figure was more than 11 percent

above the results posted in Octo-

Foreign orders in October for

metal-cutting machine tools, in-cluding boring mills and lathes, were 19.2 percent higher than the previous month. The total orders

for metal-cutting machine tools were \$217.3 million, an 18.5 per-

The orders for metal-forming

equipment fell in both domestic

and foreign markets. Total orders

ber, 1987.

"Manufacturers both here and

New York Times Service NEW YORK — Continuing a

decline that began in September, orders for U.S.-made machine tools dropped 19.5 percent in October, according to a report sched-uled for release Monday by the industry's trade association.

The monthly figure on orders nology said in its monthly report.

Industry experts said that they were disappointed in the October results, considering that there had been a substantial increase in exports. Nevertheless, they said, the continued decline did not signal an end to the industry's recovery, but the effect of a general economic slowdown earlier in the year.

"It's a bit of a disappointing number," said Eli S. Lustgarten, a machinery analyst for PaineWebber Inc. "It appears that the effect of a slowing economy over the summer had the manufacturers tap the breaks on their capital expendi-

James A. Gray, president of the Virginia-based association, said he was encouraged by the year-to-year condarisons.

"We are very pleased with the machine tool order picture for 1988." Mr. Gray said.

#### in October for the metal-forming equipment reached \$46.85 million, down 24.1 percent from Septem-Dollar Seen Steady Until

By Carl Gewirtz

**End of Year** 

PARIS - Indications that OPEC was prepared to lower oil production in an effort to drive the price of crude higher had scant effect last week on the foreign-exchange market, and is unlikely to have much effect this week either, dealers reported.

Currency dealers expressed considerable skepticism about the ability of the Organization of Petroleum Exporting Countries to maintain discipline on restricting output. In addition to the likely increase in production to make up for any shortfall from countries not in the cartel, such as Mexico and Britain, analysts noted that the large level of oil supplies around the world will prevent prices from rising significantly in the immediate future, if at all.

Barring any dramatic news in coming weeks, currency traders said they expect the dollar to remain relatively stable for the rest of of the Conference Board's consumthe year. Banks are already beginning to withdraw from the market er research center. "They're a little in preparation for the annual acmore cautious in what they think counting of profits and losses.

Public expectations mirrored Dealers in all the major financial economic projections released in centers last week said they sensed a mid-November by two University decline in both the number of parof Michigan economists, Saul Hyticipants active in the foreign exchange market and in the size of the commitments by banks that were still taking positions. This is a traditional develop-

ment, and one that is reinforced by the artificial surge in the cost of money - and therefore the cost to the increase in the real gross na-tional product will fall nearly I full speculate - that occurs at the end of every year as demand for cash percentage point in 1989, from an purely for bookkeeping reasons drives up the cost of borrowing The cost of three-month Euro-

dollars last week rose 5/16 percentage point, to 9 5/16 percent on an annual basis, and the experience of past years shows the rate could easily rise a full percentage point by Such rate surges, however, are

not guaranteed to thwart speculation. Last year, for example, the dollar tumbled sharply throughout December and into the first days of January, when it hit lows of 1.5815 Deutsche marks and 120.45 yen. Currency traders warn that the

year-end period can be especially volatile as major participants temporarily withdraw from trading That leaves a void where only a few large transactions - not speculative trading, but true commercial demand that normally would be accommodated without a flutter -

See DOLLAR, Page 12

#### Poor Harvest U.S. Consumers Suspect Bloom Is Off the Boom omy in the next six months," said Fabian Linden, executive director By Richard Morin scient, in part because personal sumers' overall financial health is

# Could Spur Soviet Deal

MOSCOW - A below-target Soviet harvest could spur U.S. and Soviet officials to reach agreement on a new grain pact when they resume talks in Moscow on Mon-

day, foreign analysts said. The superpower grain negotiations have dragged on since March in various capitals as Moscow has sought flexibility in its grain purchases in case reforms by Mikhail Gorbachev, the Soviet president,

brought bigger harvests. But last month the Communist Party newspaper Pravda said the Soviet grain crop would be smaller this year than in 1987, when it totaled 211 million tons. A final 1988 harvest figure has not yet been an-

"They were looking for 235 mil-hion tons and now it looks like they'll get about 200," said one agricultural analyst at a Western embassy in Moscow. "It must be a disappointment to them and it could change their attitude about

this grain pact."
U.S. officials say Washington and Moscow have tentatively agreed on a two-year extension of the five-year pact, which expired in September. It calls for minimum annual Soviet purchases of nine million tons of U.S. grain and oil-

Trade between the United States and the Soviet Union has been guided by grain agreements for the past dozen years. Both sides generally thought it was a beneficial arrangement between the world's largest grain exporter and biggest grain importer.

The United States, concerned to help its farmers, wanted Moscow to agree to a bigger minimum annual volume of grain purchases. Washington sought another five-year pact to guarantee long-term sales for large U.S. grain surpluses.

But Mr. Gorbachev has sought to increase grain output as one way to tackle the country's serious food supply problem.

Failure to produce a new agreement out of this week's talks could mean lower grain prices at the Chicago Board of Trade and other grain exchanges, traders said. "If we come in Monday and they

are over there and talking about signing Tuesday or Wednesday, the market probably will give them a grace period," said Vic Lespinasse, a Chicago grains trader. But failure to sign a deal "could be very bear-

#### Washington Post Service

WASHINGTON - Americans harbor growing doubts that the six-year U.S. economic expansion will continue much longer, according to recent polis.

Results from a closely watched Michigan survey of consumer attitudes, and a similar survey conducted by the Conference Board, a New York-based organization, show that although the benefits of the economic expansion have been both deep and wide, there are new concerns that it will end soon.

"It's like consumers are saying that they don't expect things to get a whole lot better," said Richard Curtin, director of the survey of consumer attitudes at the University of Michigan, "But they also feel

that things won't get worse. "After six years of expansion, that's not necessarily a bad attitude to have," he added.

According to the latest Michigan quarterly survey of consumer attitudes, nearly half of all American families are financially better off now than they were a year ago. That's the largest proportion to re-port such improvement since the early 1970s, Mr. Curtin said. And nearly two out of five - 38 percent -said they expected their personal finances to improve during the next

12 months. But half of the respondents said they expected no changes in their personal finances in the coming year, and 9 percent anticipated that their finances would worsen.

Public attitudes toward the econonry are closely monitored by U.S. economists. That is because consumer views regarding the future health and direction of the economy have been surprisingly preperceptions motivate spending decisions that in turn, push the econ"Even if you had wages increasomy higher or pull it down. ing at 15 percent and inflation in-

There has been a remarkably creasing at 10 percent," Mr. Curtin close correspondence between con- said, "consumers would prefer sumers' actual expectations and wages increasing at 5 percent and subsequent changes in a wide range inflation at 3 percent, even though of economy measures, including they would be doing 3 percent betthe inflation, unemployment and ter in terms of real income growth interest rates," Mr. Curtin said. There was good news for mer-

'It's like consumers are saying that they

Richard Cortin, survey director. chants as the country enters the gues. Prices of some goods rise fast-Christmas buying season: Three or than others in times of high infla-out of four respondents said now tion, forcing people to adjust their was a good time to buy appliances, furniture and home electronics. More than three out of five said it

was a good time to purchase a vehi-cle, and seven out of 10 said it was a

Additional ev favorable time to buy a house. On the down side, more than two-thirds of the respondents foresaw climbing interest rates, and most thought inflation would rise

above 5 percent

"Consumers were increasingly concerned about rising inflation and interest rates," Mr. Curtin said, "and these represent a serious threat to maintaining future consumer confidence."

Researchers have discovered that the public clearly prefers times month, the second such decline in of low inflation and gradually increasing wages to times of high inflation and big wage increases. So strong is this preference that con- tations about the state of the econsumer confidence has increased in times of low inflation even as con-

spending patterns. People also become uncertain about their ability to make and follow through on Additional evidence of growing

consumer concerns about the economy came just last month. Michigan's monthly sounding of consumer sentiment found that the key measure of consumer confidence had actually declined slightly, further evidence of a growing public realization that the bloom is off the

in the first situation.

don't expect things to get a whole lot better.'

Another group that monitors public attitudes toward the economy, the Conference Board, reported Friday that it found a slight drop in consumer confidence this

"All of the loss we experienced is due to a decline in consumer expec-

mans and Janet Wolfe. The projections were far from That is not a naive view, he arbad: The economists predicted continued growth, but at a sharply reduced rate during the next two years. Their economic model of the national economy predicted that

> estimated annual growth rate of 3.8 percent this year, will and drop further to 2.4 percent in 1990. Mr. Hymans and Ms. Wolfe predict an even steeper drop in the rate of increase in real disposable income during the next two years. Annual growth in consumer purchasing power is expected to slow from 3.6 percent in 1988 to just

> 7/10s of a point in 1990. The political implications are obvious. In times of peace, pocketbook issues largely elect presidents, and changes in the nation's economic vitality can save or sink administrations.

Today, the economy appears prepared to give President-elect George Bush a brief honeymoon, Mr. Hymans and Ms. Wolfe predicted. Public perceptions of the economy likely will become slightly less positive in the coming months, as growth slows and the delayed impact of the U.S. drought begins

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Interest starts at 371/2 basis

points over Libor for the first two

years, rising to 50 basis points dur-

and its past history of lina problems, bankers said. Under-

amounts of 25 basis points.

writers are offered a front-end fee

of up to 18% basis points and a

fees range up to 15 basis points.

In Asia, the Industrial Finance

Corp. of India is seeking a seven-

year loan of 20 billion yea. Interest

is set at 25 basis points over Libor

ed to be asking for bids on a loan of

Confirmation of the October

ing the need to raise rates, the dol-

Equally important is the next

monthly trade report. A larger U.S.

deficit would be expected to weak-

en the dollar, since it would tend to

confirm the already widespread

fears that this year's trade improvement is running out of steam and needs a further dollar devaluation

to curb imports and spur exports.

will be neutral, or not so convinc-

lar could resume its decline.

## Beazer Sets \$2.3 Billion Loan Restructuring

By Carl Gewirtz

nal Herald Tribune PARIS — A large and compli-cated \$2.3 billion loan was syndicated on the international credit market last week for Beazer PLC, a British home building and contracting group.

The loan does not represent an increase in indebtedness for Beazer, but rather a restructuring of its debt outstanding to include the off-balance sheet financing for last summer's leveraged buyout of Koppers Inc., a U.S. construction materials company.

group as a subsidiary of Beazer is ments. expected to result in a \$25 million annual saving on interest charges and improve the group's cash flow.

The syndicated credit is evenly split between a seven-year term loan on which interest is set at 11/2 percentage points over the London interbank offered rate, and a fiveyear revolving credit bearing a margin of 1% percentage points over

The \$1.15 billion revolving credit reduces to \$750 million no later than next September.

The interest charges on both portions are subject to reduction as Beazer slims its net liabilities — or gearing ratio — or increases cash

TITLE

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SALES MANAGER

flow relative to interest expenses - California-based cable television West German subsidiary, NL In-

interest coverage. The margin on both portions of the credit drops to 1 percentage point over Libor if the gearing ratio

INTERNATIONAL CREDIT falls to 100 percent or interest cover exceeds two and a half times actual payments. The margin falls to % percentage point over Libor at a gearing ratio of 75 percent and interest coverage of three times payments, and to ½ percentage point over Libor if the gearing ratio falls to 50 percent and interest cover Integrating Koppers into the rises to three and a half times pay-

> Even without these improvements, the 1% percentage-points margin on the revolving credit can drop to 1½ percentage points when an established level of asset disposals has been achieved. Front-end fees range from 571/2

basis points for banks underwriting \$125 million to 171/2 basis points for banks underwriting \$25 million. Beazer will also pay a commit-ment fee on any undrawn portions

of 18% basis points. Citibank is arranging the loan and will hold meetings with potential lenders and the company management on Dec. 2 in London and on Dec. 5 in New York. Lenfest Communications Inc., a

INTERNATIONAL POSITIONS

You will find below a listing of job positions published last Thursday under the rubric International Positions.

If you haven't seen last week's **INTERNATIONAL POSITIONS** rubric.

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Who has the world's largest trading

room? It's not Salomon, it's Sanyo

The beer baron goes banking -

Securities in Tokyo. Euromoney takes

Rising stars in the East - the new leaders

company, is seeking a \$75 million, dustries Deutschland. The sevenseven-year loan that also has reduc-ing margins — from 87½ basis will be denominated in Deutsche points over Libor at the outset to marks. 62½ basis points — as interest coverage improves.

If less than half the loan is drawn, the commitment fee on the unused part will be 371/2 basis points. If more than half is used, the commitment fee drops to 25 basis points. Fees to underwriters range up to 15 basis points.

Brascan of Canada appointed Chemical Bank to arrange a \$500 million, 10-year loan paying interest of 4 percentage point over Libor, a level many bankers said was too low for such a long maturity.

The company has the option to turn the loan into subordinated debt, in which case the interest margin rises to 1 percentage point over Libor. In addition, Brascan has made assurances that marketmakers will trade the subordinated debentures for at least six months. During that time, the company as-sures loan holders that they can sell the debt at no loss to market makers by promising to make up any discount the seller is obliged to ac-

NL Chemicals Inc. of the United States is guaranteeing a loan to its lent.

important resistance points — 1.70 growing.
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**Don't miss the November** 

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levels that are widely deemed to be on just how fast the economy is

Traders see two main risks to the trend, dealers said, could cause the

anticipated calm at the end of the dollar to surge on the expectation year: the U.S. employment data for that the Federal Reserve Board will November, which is to be reported increase the discount rate to stifle on Friday; and the October trade the rate of expansion. Higher inter-

figures, which are due Dec. 14. est rates would enhance the attrac-The employment data should tion for foreigners to invest in dol-

clarify whether U.S. economic lar securities. In contrast, if the

growth is surging at a pace likely to jobless data supports the view of an fuel inflationary pressures and economy already slowing, eliminat-

**GUESS WHO HAS** 

THE WORLD'S LARGEST

TRADING ROOM?

#### **Bond Prices** Decline On **OPEC** News

By H.J. Maidenberg

New York Times Service
NEW YORK — Treasury bond ing the next three years and then to prices were marked down sharply 621/2 basis points in the final two last week in New York on reports of a tentative agreement by the The generous margin reflects the relatively small size of the company

U.S. CREDIT MARKETS members of the Organization of Petroleum Exporting Countries to adhere to reduced production quocommitment fee on unused tas.

Dealers described Friday's trad-Sparebanken of Norway has aping as light, however, because most participants normally treat Thanksgiving Day, which was on pointed Manufacturers Hanover Trust to arrange a three-year loan Thursday, as the start of a four-day of 40 million Deutsche marks. The interest margin is set at 35 basis points over Libor and front-end weekend. The market closed Friday at 1 P.M.

"Whether the shortened trading sion exaggerated the declines, or whether the price-cutting would have been more severe in a normal day is debatable," said Peter J. Greenbaum, associate economist at and front-end fees range up to 50 basis points. The Oil and Natural Gas Commission of India is report-Smith Barney, Harris Upham & Co. The OPEC news was "decidedly bearish" for the fixed-income market, he said.

up to \$300 million, or its equiva-The news from the Vienna OPEC meeting caused long-term bond prices to drop almost a point, or \$10 for each \$1,000 of face value. **DOLLAR:** Calm Likely to Prevail by midmorning.

(Continued from first finance page) forestall further improvement in the trade deficit. Last month's em-Federal funds, the basic lending rate that domestic banks charge each other for temporary loans, ployment data was surprisingly The dollar currently is at 1.7170 strong and roiled financial mar-DM and 121.25 yen, and it is near kets. But analysts are still divided held steady at 8% percent.

Because the funds rate has trad ed at this level in recent weeks, more credit market analysts are expecting a rise in the Fed's discount

between the discount rate, 61/2 percent, and the funds rate, 8% per-cent, is considered too wide. Early last August, a similar spread rate, by half a percentage point. At the unofficial close, the discount rate on Treasury 90-day bills was up four basis points, to 8.03 percent. Rates on the companion

six-month bills rose five basis

points, to 8.13 percent. For longer Treasury maturities, the new 8% percent Treasury notes

of 1990 were offered at 99 26/32, to yield 8.98 percent at the close. The bellwether long bonds, the 9 per-cent issue of 2018, finished with a yield of 9.17 percent. The long bond closed at 99 9/32, down At best, both economic reports 22/32 on the day.

ing to raise speculators out of their expected year-end torpor. That could get the foreign market into the new year with rates at about current levels.

No one can say for certain exactly how much of a differential is needed to make the dollar attractive to foreigners.

# New International Bond Issues Compiled by Laurence Desvilettes

lesuer	Amount (millions)	Mat.	Coup.	Price	end week	Terms
FIXED-COUPON			•			
Australian Wheat Board	\$200	1993	91/2	101%	98.88	Noncolloble, Fees 195%. (Swiss Bank Corp. Int'L)
Industrial Bank of Japan	\$ 80	1993	91/2	101%		Noncollable, Fees 197%, Denominations \$10,000. (83 Int'l.)
Japan Highway Public Corp.	\$180	1996	9%			Noncollable, Fees 1365. Payable in January, (Bank of Takyo Capital Markets.)
Norges Kommunalbank	\$70	1990	91/2	100,825	99.58	Noncolloble, Feet 3/%. (Yesteichi Int'i Europé.)
Skondinoviska Enskilda Banken	\$150	1996	10	101%	99.78	Collable at par in 1993, Fees 139%. Payable in January. (Bankurs Trust Int <sup>2</sup> L)
Andelsbanken	DM 140	1995	6	100	97.00	
Belgium	DM 300	1993	51/4	101	99.00	Noncollable. Fees 2%. (Westdeutsche Landesbank.)
Berliner Bank Int'l	DM 75	1994	51/2	101	_	Noncollable. Fees not disclosed. Payable in January. Berliner Bank.)
Lloyds Bank	£ 100	1998	11%	1011/2	98.25	Europe.]
Interfinance Crédit National	FF 300	1993	9%	1031/4	101.33	Noncollable, Fees 190%. Payable in January. (Credit Com- mercial de France.)
Crédit Foncier de France	8CU 100	1994	7%	1013	99.63	Noncollable, Fees 1%%. (CCF.)
European Investment Bank	ECU 100	1995	7%	101%	99.50	
Bayerische Landesbank Int'i	<b>C\$75</b>	1993	10½	101%	99.38	Noncollable. Fees 1 16%. (Bayerische Landesbank Int L)
Econ Copital	C\$ 100	1989	10%	100.85	99.35	Noncoliable, Fees 16%. (Credit Suisse First Baston.)
Federal Business Development Bank of Canada	C\$ 50	1993	101/2	101.80	99.80	Noncollable, Fees 1975, Payable in January, (RBC Dominion Securities.)
Finance for Donish Industry	C\$ 75	1991	10%	101%	99.13	Noncollobia. Fees 196%. Payable in January. (CCF.)
Montreal Trustco	C\$ 150	1993	10%	1011/2		Noncollable, Fees 176%, (Goldman Socks Int'l.)
Morgan Guaranty Trust Company (Nassau)	C\$ 150	1991	11	10114	100.05	Noncollable, Fees 11/1%. Payable in January. (J.P. Morgan Securities.)
Union Bank of Norway	<b>C\$75</b>	1991	111/4	101%	99.93	Noncellable, Fees 196%, Payable in January, (J.P. Morgan Securities.)
Dresdner South East Asia	Aus\$75	1992	14	1011/4	99.63	Noncollable. Fees 199%. (Drescher Bank.)
Electrolux .	Aus\$ 100	1990	14%	101.15	99.80	Noncollable. Fees 11/4%. (Nomura Int'l.)
Indosuez Australia	Aca\$ 50	1992	1414	101%	100.13	Noncollable. Fees 195%. Payable in January. (Hambros Bank.)
Skopbánk	Aus\$ 65	1989	14%	100.95		Noncollable, Fees 1%, (Faribos.)
Austria	Y 30,000	1994	4%	101%	_	Noncollable, Fees 176%, Payable in January. (8J Int'l.)
EQUITY-LINKED						
Nissho Iwai	\$300	1992	open	100	104.25	Coupon indicated at 49/%. Noncollable. Each \$5,000 note with one warrant exercisable into company's shares at an expected 29/% premium. Fees 29/%. Terms to be set Nov. 29. [Nonstra ht ].]

# PORTFOLIO: Money Managers Outline Their Investment Strategies

have little exposure to exports. He overplayed, he said that "long-term two years. named the real estate concern Mit- U.S. interest rates are currently too Mr. Ap subishi Estate, the insurance com- high" and should decline. The same pany Tokio Marine and Toppan is true for rates in Japan and West Printing as examples. In the United Germany, which could fall almost States, he likes Merck, Philip Mor-half a percentage point "fairly ris, Reynolds Metals, International soon." Paper and John Deere.

At the other extreme, is Mr. K2- cause bond prices to rise, producgami of Nomura. He said he doubt- ing important capital gains for in-ed that there would be much im- vestors. provement in world equity markets before next spring, and until then are only in domestic government he plans to commit only 40 percent markets, where there is high liquidto stocks and 55 percent to bonds. ity. But his dollar holdings are

"quite promising," he said. "In the years. The yen holdings are only short-run, the rally is likely to stag-medium-term—not exceeding sevnate but by next spring could be en years — since the current flat followed by a sharp move up."

Although U.S. stock prices "have been in the doldrums too long and there is scope for a substantial ral-que Julius Baer also are invested in ly," Mr. Kagami said he was over- only short-term fixed-income secu-

weighting investment in European rities. This reflects "the fear of an equities where the immediate out-increase in interest rates," said Mr. look is brighter.

Dollar bonds occupy only 35 ment. "We want to be able to invest percent of his fixed-income portfolio, followed by 32 percent invested in longer-term debt at higher yields, and that's only possible if in yen paper and 25 percent in you stay short" waiting for the Deutsche marks or DM-bloc assets, including the Dutch guilder are "particularly attractive."

His dollar holdings have an averand the European currency unit. age life of two years. The bulk of He said the higher yielding French this is in Treasury notes and the franc and Australian dollar bonds remainder in Europonds issued by sovereign borrowers.

Bank

investment (Japan)

Appenzeller of Capital Manage-

The fall in interest rates

(Continued from first finance page)

Mr. Kagami's preference for bonds is based on expectations that than in the United States, but he is concentrating on companies that side. Because inflation fears are life on sterling debt does not exceed Australian dollar and Canadian cent split favoring equities over

Mr. Appenzeller has no DM bonds in his portfolio. "We're look-ing for the best return and that's not the case with German bonds" where relatively low yields will, as creased, to 18 percent, from 15 perof next year, also be reduced by a cent in May. nt withholding tax on in-

"Many foreign clients cannot re-claim the tax," he said, and cou-Mr. Kagami's bond investments pon-washing (selling paper to avoid being the holder of record) "is expensive." He said that "we consider guilder bonds a good sub-The Tokyo stock market as short-term, for a maximum four stitute," but Capital Management's largest and longest holding, with average maturity of four years, is in French franc bonds.

He said he expected a compound rate of return on franc bonds over the next two to three years to be some 3 percentage points higher than in West Germany. A possible revaluation of the mark against the franc "would not destroy the yield

Mr. Appenzeller said Capital Management would step up pur-chasing dollar bonds at an exchange rate of 1.65 DM. The current exchange rate is near 1.72 DM. rent exchange rate is near 1.72 DM.

"Real rates are high and attractive," he said, and Morgan is "cauallocation at Lazard Brothers, said the tiousty moving to invest longer his current strategy is basically term — 7 to 10 years — from the

A comparison of current and previous investments. Holdings in individual countries are given in percent.

neutral." The 60 percent to 30 per- current 3-to-5-year range."

25 U.S., 18 Japan, 26 Germany, ECU 12, U.K. 5, France 5, Australia 4, Switzerland 5.

bonds is unchanged from May. "The only big statement" in the breakdown of investment preferences, Mr. Saunders said, is the heavy weighting given to Japanese stocks —42 percent compared with 38 percent in May. Stock holdings in continental Europe have also in-

106.50 Coupon indicated at 4%%, Noncallable, Each \$5,000 n

Coupon motiones a serviceble into company's shares of an expected 29% premium. Fees 29%, Terms to be set Dec. 2. \$400 million issued in Europe through Yamaichi Int'l and \$300 million issued in Asia through Namura Merchant Banking

The two increases were largely at the expense of British stock investments by Lazard Brothers, which fell to 7 percent from 13 percent last May. U.S. stock investments are unchanged at 28 percent.

This is a very different profile from Morgan Stanley, which also devotes 60 percent of its portfolio to stocks, but concentrates overwhelmingly on U.S. shares, as it did in the two earlier surveys.

Mr. Cowan said he is investing in companies that have "reasonable" ratios of price-to-book value and price-to-cash flow but that have not been doing so well on net earn-ings. He named Petrie Stores, Nor-folk Southern Co., Archer Daniels Midland and Avnet as good

Reflecting optimism Morgan has about stocks, Mr. Daley, the bond strategist, said he expected interest rates to peak and then move lower.

5% Gold

Cash Gold

10

35 U.S., 32 Japan

Treasury Bonds

U.S. Consumer Rates 7589 aney Market Funds anoghoe's 7-Day Average 7.91 % ource : New York Times.

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15 Switzerland, 17 Germany, 20 U.S. and Canada, 10 Netherlands, 5 France Baer (Switzerland) 10 Netherlands 8 U.K., 25 Jap

Portfolio Managers Asset Preferences

	Feb.	35		45.		10 10
Capitai Mgt. Germany)	Nov.	40	N.A.	50	22 U.S., 15 Japan, 25 France, Neiherlands 11 12 U.K., 7.5 Australia, 7.5 Canada.	10
	0.000	* .				7.5
	Feb.	50	•	35	•	15
L <b>azerd</b> B <b>ros.</b> Britain)	Nov.	<b>60</b>	28 U.S., 5 Pacific, 18 Continental Europe, 7 U.K., 42 Japan.	30	40 U.S., 20 Japan, 9 Britai 10 Canada, 3 Other, 18 Continental Europe.	n, 10
•	72y			- 1		(O
	Feb.	50		35		15
Paribas (France)	Nov.	85	23 U.S., 24 Far East, 58 Continental Europe.	0		10 5
	May			96		10
	Feb.	55		20		20 5
Morgan Stanley (U.S.)	Nov.	60	45 U.S., 4 Canada, 7 Japan, 6 Germany, 5 Netherlands, 9 I 4 Italy, 5 Australia, 15 Other.	35 U.K.,	48 U.S., 10 Japan, 20 Germany, 5 Canada, 10 Britain, 7 Australia.	5
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45 Pacific, 30 Europe

#### THE BEER BARON John Elliott of Elders wants to buy banks GOES BANKING as well as brewers. GOODBYE, GERMAN German stock exchanges - why things STOCK EXCHANGES have to change. ASIA'S NEW GENERATION How to buy Japan - Joe Perella and his OF POWER BROKERS new partners explain. Free Trial Subscription Offer Free Euromoney Desk Diary when you pay for an annual subscription Complete and return the order form below and we'll be pleased to send you the November issue of Euromoney - the leading journal for every financial executive. You can then judge for yourself how useful Euromoney could be to you and your business. We'll also send you an invoice for an annual subscription. If you decide that Euromoney is not for you, simply write 'cancel' on the invoice and return it – you'll owe us nothing. But if you do decide to subscribe we'll be delighted to send you a Euromoney 1989 Desk Diary once we have receipt of your payment. Euromoney is only available by postal subscription so don't miss this opportunity.

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lion the previous week.

Analysts said the Paris market

had remained steady because of

positive news in France, including

the passage of the 1989 government

budget on first reading the good health of French business, and

after a few weeks in the doldrums.

which saw live consecutive days of

gains, and a strong performance in Tokyo induced some bargain-hunt-ing and helped boost the Straits

Times Industrial Index above the

Profit-taking Friday canceled

some of the earlier gains and the index finished at 1,011.32 points, a gain of 19.95 for the five trading

Total turnover was about the

same as the previous week at 78.01

million units, but value was down

5.5 percent to 174.5 million dollars.

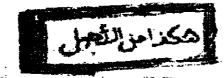
Tan Chong Motors and the new-ly-listed ASEAN Fund were the

Dealers said a firmer Wall Street,

edly in September.

1,000-point level.

Paris



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# Bond Issues EUROPE: Economy Shows Life First flasance page) The fear is that once controls We seed the French and Italians The fear is that once controls The fear is that once controls

the American economy," said Christopher Potts, an economist with Banque Indosuez in Paris.

Still, some economists worry that West Germany's slow population growth, maze of inflexible rules and traditionally tight monetary policies will hold back growth in the rest of Europe.

After its spurt this year, West ferman growth is expected to slide back to 25 percent next year. College or por or 1993, For 1895, Portly Ed. As other European nations grow faster than West Germany, they

buy more goods from Germany than Germany buys from them. This has created trade-balance problems that are putting pressure on the Italian lira and the French

These pressures have caused France and Italy and other trading Principles, San 19th Scrottle or Icology English partners of West Germany to support their currencies by raising interest rates higher than they would

Under the European Monetary System, an eight-nation system of linked currencies, member nations must act to protect their currencies if they fall too far below an average. But the European Community recently voted to end all currency controls, and France and Italy will

soon have to remove regulations

that restrict their citizens from in-

WHAT'S HAPPENING ON THE LONDON STAGES READ SHERDAN MORLEY WEDNESDAY IN THE BHT'S ARTS & LEISURE SECTION

Sales in Net 100s High Law Clase Chiga

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.78 3.9 24 5.3

2.12 5.6 5 38V; .05e A 114 11V; .05e 1.0 328 5V; 200 1%; 19 74; 91 74;

NASDAO National Market

OTC Consolidated trading for week ended Friday.

The fear is that once controls are lifted, the French and Italians will invest their money in strong West German marks rather than francs and lira. Should that happen, the

franc and lira face a crisis. France and Italy have called on the West German central bank to be ready to help them support their currencies. But the Bundesbank. which does not want to put many more marks in circulation, is reluc-

"If the Bundesbank intervenes in such a situation, then it means we've moved close to European monetary union," said Francesco Giavazzi, economics professor at the University of Bologna. He said such "union" would help keep exchange rates fixed for five years or

Such stability would help spur investment and could help lead to the formation of a single European currency - a goal of many economists and executives who complain of the inefficiencies of having so

many different currencies. If the Bundesbank does not intervene, one alternative is a realignment of the European Monetary

Many economists predict that the Detusche mark will be revalued upward next year to make French and Italian goods more competitive against West German goods. If there is no realignment - and

vesting or depositing their money France has resisted strongly any attempts to devalue the franc - the other alternative is for Italy and France to raise interest rates to protect their currencies.

This would slow their growth rates, which would tend to push up Europe's already high unemployment rate.

based Hong Kong Index gained Amsterdam

WORLD STOCKS IN REVIEW / Via Agence France-Presse

46.9 points to close at 1,749.84. Turnover rose to a daily average Amsterdam stocks were fairly of 1 billion Hong Kong dollars from 659 million Hong Kong dolbuoyant last week, with the majority of stocks recording slight gains. lars the previous week. The ANP-CBS general index rose

said the market would remain ner-

vous for the time being, as the

damping effect of lower oil prices

The Commerzbank index fin-

lion Deutsche marks, against 12.19

BASF starred in the chemical sector, rising 7.80 DM to 281 after

releasing an excellent earnings re-

oillion DM the previous week.

port for nine months. Ba

Hong Kong

| Soles in | Net | 100s High Low Close Chief | 1461 | 177728 | 26 | 2774 | 1195 | 1161 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 176 | 1

on inflation may disappear.

Frankfurt

Bond Corp. International an-nounced Friday that it had agreed 3.4 points to 272.9. Dealers on the floor said they to sell its 30 percent stake in Televihad the impression the market had sion Broadcast Ltd. for \$256 milbottomed out, partly because the lion to the Singapore-based Kwok flow of shares onto the market in business family headed by Kwok Hock Nien. Trading Bond Corp. recent weeks had dried up. Institutional investors remain inactive, so and TVB was suspended and was turnover remains on the low side. Turnover totaled 4.875 billion to resume Monday.

#### guilders this past week, against 5.015 billion the previous week. The Kempen & Co. brokerage London

Share prices fell dramatically Friday, after the announcement of much worse than expected British

trade figures for October.
The Financial Times 100-share index closed at 1,794.7 points, down 28.7 points for the week. The FT industrial index ended at A consolidation phase continued

1,462.6, down 26.4.
The record £2.43 billion current on the Frankfurt stock market, analysts said, as prices drifted slightly account deficit was far worse than even the most pessimistic predic-tions of around £2 billion, prompt-ing a full-point rise in British base ished the week at 1,588.4, down 3.9 points from the previous Friday. Volume on the eight West German rates and sending shares into a tailexchanges totaled only 11.54 bil-

Several possible bid situations caught the eye of speculators: BICC (electricals). Storehouse (stores) and Ultramar (oils). Dealers also noted rumors of a rival bid for Hammerson

#### Milan

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Puls

The Hong Kong stock exchange The market was in a somber posted strong gains, despite a drop Friday on profit-taking. The barometer Hang Seng Index mood in lighter trading, as the Comit index closed almost unchanged at 580.21, compared with 579.64

rose 74.92 points for the week to the previous Friday. Trading averaged only 125 bilclose at 2,656.08, while the broader

#### week's most active stocks, despite low volume of only 4.1 million Sales in Net 100s High Low Clase Ch'ae Tokyo

The Tokyo Stock Exchange had another bullish week despite the fall of the dollar against the yen and fears of higher interest rates in the United States.

The Nikkei Stock Average of 225 blue chips closed out the week Saturday at 29,363.59 year for a 183.39yen weekly advance, the seventh consecutive weekly rise for the key market indicator.

The average hit an all-time high of 29,430.12 yen Tuesday, the eighth session in a row it finished higher, but lost 90.09 yen Thursday after a holiday recess Wednesday as investors became wary of a too-

Trading was moderate with an average of 886 million shares

lion lire a session, against 235 bil-lion the previous week. changing hands a day, down from 992 million shares the previous week. Value of stocks traded de-

The only focus of interest was Assicurazioni Generali, which rose 1.85 percent for the week under the influence of demand attributed to 1.28 trillion yen. Japanese interests. However, sources close to Generali said it was "unlikely" the Japanese were re-

Tokyo foreign-exchange market acceptance. Friday. Paris stock prices were mainly steady in quiet trading with the CAC index closing at 392.5, against many individual investors returned 392.6 a week earlier. That compares with the year's high of 397.

ing the bull run.

#### Zurich

good economic statistics. French industrial output increased mark-The Zurich market managed to cause it coincided so neatly with edge higher on the week, as it recovered from Nestle's surprise aning hard-liners in Tehran to accept Share prices rebounded modestnouncement the week before that it the humiliating concession on pariwas opening its registered shares to ty with Iraq. Among other things, ly on the Singapore stock market,

ished at 504.5, up from 501.8 the largest oil producer and the second previous Friday, while the Swiss Bank Corp. index rose to 547.8 after Saudi Arabia. from 542.4. Operators said they expected a consolidation phase in the had bluntly warned Iran that if it new trading week.

**NYSE Most Actives** 

**NYSE Diaries** 

clined to 1.03 trillion yen a day on stantially higher than the current average from the previous week's \$10 price of Iranian oil.

The strong showing here came the Iranian cabinet to agree to the despite the dollar's slide against the deal, his deputy, Ferydoun Baryen. The U.S. currency closed at a record low of 121.15 yen on the the other OPEC members of Iran's

With tax reform legislation absence, the Saudi oil minister, Hiwhich includes a capital gains tax sham Nazer, surprised many of the virtually certain to be enacted, other OPEC ministers by insisting to the market. They sought specution cuts be framed by a range of lative issues with latent assets, fuel-oil prices hovering between \$15 and \$18 a barrel.

One analyst predicted that the Nikkei would reach 30,000 yen this a price "target" of \$18 a barrel, and year, since the Japanese economy's many OPEC members were hopefundamentals are still strong.

Wall Street Review

eventually push prices higher. Consternation over the surprise Saudi stand was heightened beforeign investors.

the Iranian concessions would end the country's status as the second the Iranian concessions would end

> A coalition of Arab oil producers did not accept parity, the flood of

> > AMEX Most Actives

16 2 1% 4% 4% 5% 5%

**AMEX Sales** 

AMEX Diaries

Scies Vol.

Option & price Calls

#### **OPEC:** Output Accord Threatened

(Continued from Page 1) price of \$18 a barrel, which is sub-

After Mr. Agazadeh convinced the Iranian cabinet to agree to the

But in the Iranian oil minister's that any new agreement on produc-

most influential member in OPEC

oil coming out of their countries would continue and oil prices would not rise. Iran is desperate for

cash to rebuild its economy. Iranian delegates and some Arab delegates saw the new Saudi re-

quest as an additional humiliation for Iran.

"This is a major deviation from what OPEC agreed to," Mr. Barkeshli told reporters in Vienna. Asked whether Iran could under

any circumstances accept the new Saudi condition, Mr. Barkeshli said: "No. We cannot accept. I am very pessimistic."

Saudi officials, who did not explain their sudden request beyond attributing it to "instructions from King Fahd," were believed to be more interested in protecting their country's oil revenues than in dam-

aging relations with Iran. Under the accord hammered out Friday, the Saudis would have to decrease their output quota from the current 6.5 million barrels a day to about 4.5 million barrels a day.

Nevertheless, the timing of the Saudi proposal left many suspicions about its motives.

#### **Euromarts** At a Glance

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(Continued from Back Page)

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## **MONDAY SPORTS**

#### SIDELINES

#### Calcavecchia Wins Australian Open

SYDNEY (AP) — Mark Calcavecchia of the United States, playing in his first tournament in Australia, shot a 3-under-par 69 on Sunday to win the \$297,500 Australian Open golf championship.

Villanova Wildcats. Southern Illitotranked Wildows Calcavecchia finished the tournament at Royal Sydney with a 19
Calcavecchia finished the tournament at Royal Sydney with a 19
102 21 Security with a 19
Alaba coveral ranked teams have

under-par total of 269, six strokes ahead of Mark McCumber of the United States

McCumber also fired 69 on the final round to finish the tournament at 13 under par. One stroke behind McCumber was Wayne Grady, the Australian Professional Golfers' Association title holder, who had a fourth-round 71.

Calcavecchia, runner-up in the Masters this year, collected \$54,180. His final round included five birdies and two bogeys.

#### Taranenko Sets 2 Weight Lift Records

CANBERRA, Australia (Combined Dispatches) — Leonid Taranenko of the Soviet Union set two world weight lifting records in the superheavyweight division on Saturday.

Taranenko, competing in the Australian Bicentennial championships at the Australian Institute of Sport, set a total lift mark of 475 kilograms (1,045 pounds), including a new mark of 266 kilograms in the clean-and-jerk section, one-half kilogram more than his previous record.

The total lift record bettered by 2.5 kilograms the mark set last at the

world championships in Czechoslovakia by Alexander Kurlovitch of the Soviet Union. Kuriovitch, who won a gold medal at the Seoul Olympics, came in second, lifting a total of 420 kilograms.

Taranenko won the super-heavyweight gold medal at the 1980 Moscow Olympic Games. He also is the current European champion, but did not compete at the Seoul Olympics. (AP, AFP)

#### Australia Ends Rugby Tour in Triumph

CARDIFF, Wales (AFP) — Australia wound up its rugby tour of Britain with a flashy 40-22 defeat of the Barbarians on Saturday. David Campese scored two of the Wallabies' six tries. In the tour's two test

matches, Australia had lost to England and beaten Scotland.
In Bucharest, France struggled Saturday to win its annual match with Romania, 16-12. Serge Blanco's 23d career try equaled the French record.

#### Moon, Zaragoza Retain Boxing Titles

SEOUL (Combined Dispatches) - Moon Sung Kil of South Korea retained his World Boxing Association bantamweight title here Sunday, stopping Edgar Monserrat of Panama in the seventh of 12 scheduled rounds. The victory raised Moon's record to 8-0.

Moon began pressing fiercely as soon as the fight started and knocked down the challenger at 2:30 in the first round. He then floored Monserrat again in the third.

As the seventh round started, the defending champion landed a flurry of solid punches and Monserrat sank to the canvas. The challenger rose but referee Larry Rozadilla of the United States stopped the light 44 seconds into the round. Monserrat fell to 21-5-1.

On Saturday in Forli, Italy, Daniel Zaragoza of Mexico stopped Valerio Nati of Italy with a lightning left hook at 1:06 in the fifth round to defend his World Boxing Council super-bantamweight title for the second time. Zaragoza's record improved to 37-4-1, while Nati slumped to 43-4-3.

(AP, UPI)

#### **Quotable**

46 Hoopia 47 Sanctuary

49 Martha

57 "Oz" hon Bert

— Yankee

Doodle dandy

64 Flowery dreamer 66 Spouse

63 Take --- view of (disapprove)

67 Fruit drinks

69 Produced

olispring

70 Emit fumes

71 Employees, as

on a ranch

68 Scottish noble

51 Bet

 Pat Cummings of the Miami Heat, defining a power forward: "He's the kind of guy who does a lot of the dirty work and does a little bit of the stuff that's illegal." (LAT)

The Yankee Clipper, Joe DiMaggio, on the team's present players and owner, George Steinbrenner: "I don't know why they should be upset with Steinbrenner. He's made millionaires out of all of them. That's not

# So. Illinois Jolts Villanova

SAN JUAN, Puerto Rico — This has been no vacation spot for the cats, 102-81, Saturday night in the Alaska, several ranked teams havsecond round of the San Juan Shootout,

"This is the biggest victory at SIU since the 1967 NIT win over COLLEGE BASKETBALL Marquette," said Coach Rich Her-Meanwhile, season-opening rin. "It may not carry the same magnitude, but for us, as we try to build our program back up, it's just

ing easy games against outmanned as important Southern Illinois outshot Villanova 49 percent to 43 and had a far better free-throw percentage (88 to 72). The Salukis also had more rebounds (30-27) and fewer turnovers (12 to 18).

"You have to give them a lot of credit," said Rollie Massimino, Vil-lanova's coach. "We got beat. They shot well and did a great job."

Junior college transfer Freddie McSwain did the most damage for SIU, scoring 17 of his 24 points in the second half. Forward Rick Shipley finished with 23 points, including 11-for-12 from the free throw line.

Center Tom Greis led Villanova with 22 points on 10-for-13 shooting. Star guard Doug West was held without a field goal in the first half and finished with 14 points before fouling out.

Duke 93, Citadel 52: Danny Ferry scored 18 points and reserve John Smith sparked top-ranked Duke (2-0) early in the second half. Duke used a pressure defense to hold the Bulldogs scoreless for eight minutes and took a 38-15 lead with three minutes left in the first half with a 16-0 spurt.

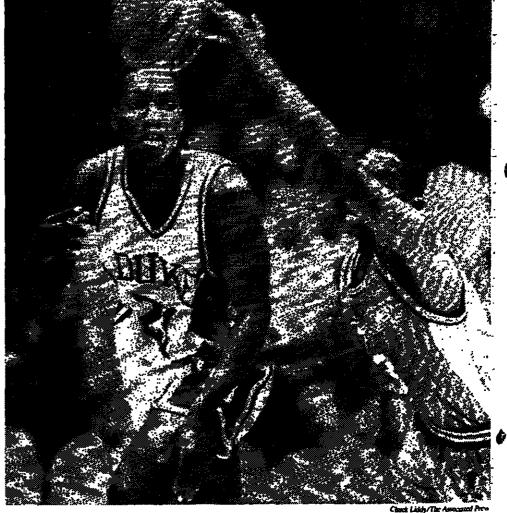
Georgetown 95, Hawaii Pacific 55: Charlie Smith scored 15 points to pace No. 2 Georgetown in the last game of the round-robin Hawaii Loa Tournament. The Hoyas had begun their season Friday by downing host Hawaii Loa, another NAIA school, 105-69.

Michigan 79, Memphis State 75: Glen Rice scored 29 points and Terry Mills made two long jumpers in the final 1:25 to lead thirdranked Michigan over Memphis State in the semifinals of the Mani

Oklahoma 83, Nevada-Las Vegas 81: In the Mani tournament's other semifinal, William Davis scored 19 points, including a key rebound basket for an 83-79 edge with 1:38 to play, to lead No. 4 Oklahoma. Florida 83, Alaska-Anchorage

72: Dwayne Davis' 21 points birdied the last two holes and won helped 15th-ranked Florida defeat
Alaska-Anchorage in the consolation bracket of the Great Alaska
Lee Trevino, whose hole in one Shootout. Florida, a 73-58 loser to propelled him to a Skins Game California on Friday, wore down victory last year, and the heavily the smaller Seawolves in the second favored Curtis Strange were shut California on Friday, wore down half and sank 18 free throws.

ANDY CAPP



Leon Bryant of Citadel was a busy man — at this point, fending off Duke's Robert Brickey while doing his best to control a loose ball — Saturday night in Durham, North Carolina. Duke, ranked the top team in the country at the start of the 1988-89 season, rolled to a 93-52 victory to improve to 2-0.

## Floyd, Nicklaus Lead in 'Skins Game'

The Associated Press LA QUINTA, California — Ray Floyd, making his first start in golf's Skins Game, birdied three holes in a row and won \$90,000

Saturday in the first nine holes of the made-for-television event. Jack Nicklaus, showing no evi-dence of the back troubles that bothered him most of the season,

Another nine holes, with a total of \$285,000 up for grabs, were to be Strange were short of the green on played Sunday at the difficult PGA West course.

"I played O.K. I just didn't make the putts I needed to," said Strange, who won the U.S. Open and three other tournaments this year.

"I didn't play very well," said Trevino. "If I don't win a skin tomorrow, I guess I'll just have to go Nicklaus came out of a green-side to the bank and visit all that money I won last year."

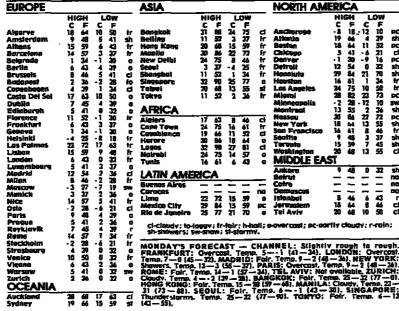
Trevino drove into the water and ing 18-foot birdie putt on the ninth.

the par-5 hole in two, but Floyd hit a 1-iron second shot to the back fringe and got down in two for a birdie-4 that won the hole and the \$75,000. He also won the sixth with a 12-foot (3.64-meter) birdie putt, adding an-other \$15,000 to his earnings. After the seventh was halved, the

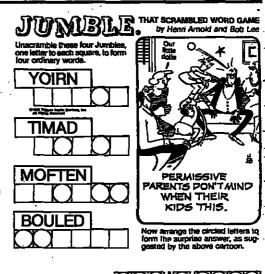
eighth became a \$50,000 hole. bunker and made a 12-foot birdie putt. It became the winner when The first four holes were all Trevino and Floyd each three-put-halved; with the carry-overs, that ted for par. Nicklaus added anothmade the fifth hole worth \$75,000. er \$25,000 with his double-break-

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O New York Times, edited by Eugene Maleska.







Print answer here: "" CO"

Jumbles: BROOK GROOM SUNDAE CIPHER Friday's Answer: What those society "crumbs" were held together by—"DOUGH"

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Surprise

Solution to Friday's Puzzle

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Pay the Butler Wins Japan Cup

Chris McCarron guided Pay the Butler, a U.S. 4-year-old, to a

half-length victory over Tamamo Cross of Japan in the \$1

million Japan Cup race for thoroughbreds Sunday in Tokyo.

The winner covered the mile and a half in 2 minutes, 25.5

seconds. Oguri Cap of Japan finished 11/4 lengths behind

Tamamo Cross and a head in front of another U.S. horse, My

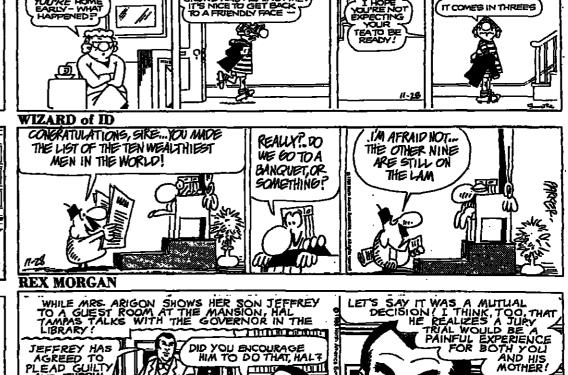
Big Boy. Italy's Tony Bin, the winner of the Arc de Triomphe

and the pre-race favorite, was fifth. Said a delighted McCarron:

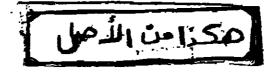
"It was an exciting race. I was confident because Pay the Butler

was trained very well in California before coming to Japan."

WEATHER







## MONDAY SPORTS

# Notre Dame Dominates USC, Cementing Claim to Top Spot

المكدامن القيمل

Compiled by Our Staff From Dispatches and will now meet No. 4 West Vir- fumble recovery in the end zone LOS ANGELES — It was a ginia (11-0) in the Fiesta Bowl on and an interception. No. 5 Florida rame of entitlement, about whether Jan. 2 for the national title, which State (10-1) meets No. 7 Aubum in Notre Dame or Southern Californis would be predominant, and USC, which was seeking its first which of the 10-0 teams could lay since 1978, goes to the Rose Bowl claim to the national college foot—to meet Michigan. ball championship.
The No. 1 Fighting Irish have

put the matter to rest. Meeting the No. 2 Trojans in the Coliseum on Saturday, they established their superiority with a 27-10 victory.

The dismantling of USC came

Dame's leading running and top receiver-returner. Tailback Tony Brooks and flanker Ricky Watters had been suspended by Coach Lou Holtz for being late to a dinner meeting on Friday night. Tony Rice, the Notre Dame

quarterback, escaped for a 65-yard touchdown run with 4:52 left in the first quarter. He had sent USC a clear message with a 55-yard pass completion from deep in his end zone on Notre Dame's first offensive play of the game.

Reserve tailback Mark Green ran for a two-yard touchdown late in the first period for a 14-0 lead. and defensive back Stan Smagala returned an interception of a Rodney Peete pass 64 yards to give the Irish a 20-7 lead with 41 seconds

L feming off Duke's Robert Britis left in the first half. Burham. North Carolina Duke ne Quarterback Peete, USC's Heisa rolled to 2 93-52 victory to improve man Trophy candidate, was intercepted twice and sacked three times by the Irish defense. He completed 23 of 44 passes for 225 yards, but

in Skins Game turnovers by the Trojans.

Peete was laid out by defensive end Frank Stams as he threw the lad to Smagala's interception that it is a summarized to the state of the play. He left the USC locker room with his left shoulder in a sling, 500 12 (20) (126); possibly sprained from a later sack.

in mit betrette mig on Scott Lockwood's one-yard run with 2:24 left in the second quarter and Quin Rodriguez's 26-yard field Aller Control entrances Signature Service Service & Edit goal with 1:38 remaining in the No. of the last of third period. That was despite the fact that they outgained the Irish 947A41 276 7224 2 1245 by more than 100 yards - 356 to Communication of the Communica 253 — and had 21 first downs to were the transfer Name only eight for Notre Dame.

Notre Dame raised its record to 11-0 for the first time since 1973,

Jan. 2 for the national title, which the Irish have not won since 1977.

Miami 18, Arkansas 16: In Miami, freshman Carlos Huerta

#### COLLEGE FOOTBALL

kicked a 20-yard field goal with The dismantling of USC came 5:38 remaining as the No. 3 Hurridespite the absence of Notre canes (9-1) handed the No. 9 Razorbacks (10-1) their first loss of Arkansas had taken a 16-15 lead

with 5:03 left in the third quarter on a 16-yard pass from Quinn Grovey to fullback Barry Foster. Miami will meet Nebraska in the

Orange Bowl. The Razorbacks head to the Cotton Bowl against UCLA. Florida State 52, Florida 17: In Tallahassee, Florida, Chip Ferguson threw three touchdown passes

Arizona 28, Arizona State 18: In Tucson, Arizona, Ronald Veal threw three touchdown passes and Alonzo Washington scored twice as Arizona (7-4) extended its undefeated streak to seven games over within 12 minutes to pace Florida ASU (6-5) in the 62d meeting of the State. FSU defenders accounted for two more touchdowns with a two schools.

the Sugar Bowl.

Auburn 15, Alabama 10: In Bir-

mingham, Alabama, on Friday, the

Auburn defense registered four

quarterback sacks, and Lawyer Till-

man set up a touchdown with a 53-

yard reception as the Tigers beat

No. 17 Alabama. The victory lifted Auburn (10-1, 6-1) into a share of

the Southeastern Conference cham-

Georgia 24, Georgia Tech 3: In Athens, Georgia, Wayne Johnson passed for one touchdown and set

up another, while defensive tackle

Wycliffe Lovelace scored on an in-

terception return to lead No. 20

Georgia. Coach Vince Dooley

marked his 200th career victory.

pionship with Louisiana State.



Notre Dame cornerback Todd Lyght, deflecting a first-period pass to Erik Affbolter, USC's split end.

# Canny Coach Holtz Brings Down the Gavel Again

By Dave Anderson New York Times Service

"There's no excuse for anybody being late now, because everyone got a Cotton Bowl

watch. That's why going to a bowl game was one of our goals: to make sure everybody would - Lou Holtz LOS ANGELES - Tony Brooks and

Ricky Watters were the two fastest players on the Notre Dame football team. But even with their Cotton Bowl watches, they sometimes weren't fast enough to get to meetings and practice on time. And in the hours before Notre Dame stunned Southern Cal, 27-10, on Saturday, the two sophomores who suddenly had been suspended by Holtz for "repeated, irresponsible tardiness," were on a jetliner returning them to the South Bend, Indiana, camous,

"They were late for a 6 o'clock dinner meeting Friday night at our hotel in Newport Beach," said Roger Valdiserri, a Notre Dame associate athletic director. "Forty minutes late. I think they said they were at a shopping

Brooks, a sophomore tailback, had been

Notre Dame's leading rusher this season with 667 yards in 117 carries, a 5.7-yard average, and two touchdowns. Watters, a sophomore wide receiver, had been its leading pass-catcher with 15 receptions for 286 yards, a 19.1 average and two touchdowns.

Asked how often Brooks and Watters had been tardy this season, Valdiserri said: Enough to warrant this action. It's a tough decision, but you can't have two sets of rules.

Holtz wouldn't comment, other than to say: "I thought it would act more divisive, but God works in wonderful ways." And so does the Notre Dame coach. He was risking the absence of two important players in Notre Dame's biggest game since he took over for the 1986 season, but he also was counting on the other players to play better than they've ever played before.

If the Irish had lost, Holtz might have been hanged by some of the alumni. But now that Notre Dame has convinced just about everybody that it deserves to be No. 1, he has surpassed Bart Giamatti, the National League president who jailed Pete Rose for 30 days, and Brian O'Neill, the National Hockey League's wrist-slapper, as the No. 1 dean

important players being late again, especially before a big game. But to his credit, Holtz did what he felt he had to do.

Cynics, however, wondered about Holtz's wonderful ways. By suspending two important players, he was both easing the burden and increasing the inspiration on his players. If the Irish lost, they had an excuse. And if they won, maybe it was because the players had rallied around each other in the biggest game of their young lives.

"I can't comment on the suspensions," said Frank Stams, a Notre Dame defensive end, "but this team understands it."

Tony Rice, the quarterback who had to guide the depleted offense, also understood what the suspensions meant to the team.

"If you're at Notre Dame, you've got to be a good player," said Rice, whose 65-yard run provided the Irish with a quick 7-0 lead. You just have to have confidence in your players, that they're going to do the job as well as the guys who weren't here."

As a disciplinary judge and jury, Holtz had rapped his gavel again, just as he had

rapped it as the Arkansas coach in 1977, his first season there.

Shortly before the Razorbacks were to play heavily favored Oklahoma in the Orange Bowl game. Holtz suspended three of his best players - running backs Ben Cowins and Michael Forrest and wide receiver Donny Bobo - for breaking a team rule regarding dormitory visitors. But Arkansas went out and stunned Oklahoma, 31-6.

And when Holtz was hired by Notre Dame three years ago, that Arkansas situation was considered a plus on his résumé — that he had put his integrity as a coach ahead of the outcome of a big game.

Psychologically; the suspension of the two Notre Dame players also may have eased Southern Cal's intensity. Not that Holtz could count on that.

Whatever the case, Notre Dame now needs only to conquer West Virginia in the Fiesta Bowl on Jan. 2 to assure another mythical chamionship only three years after Holtz replaced Gerry Faust as coach.

"With our schedule." Holtz likes to say. "every time you think you've turned the corner, there's another corner waiting for you."

Norwich 2, Luton 2

# Bengals Stop Bills With 35-21 Victory

ran for three touchdowns and Boomer Esiason picked apart the Bears 16, Packers 0: In Chicago. Boomer Esiason picked apart the defense as the Cincinnati Bengals jumped off to a 21-point lead, then held off a furious comeback to beat the Buffalo Bills 35-21 on Sunday.

The victory in the game between the teams with the AFC's best records ended a six-game Buffalo winning streak, improved Cincinnati's record to 10-3, and kept the

#### NFL ROUNDUP

Bengals a game ahead of the Houston Oilers in the AFC Central. The Bills, who clinched the AFC East title last week, dropped to 11-2 but still retained the edge for the home-field advantage in the AFC

Cincinnati started like it would be a rout, taking a 21-0 lead in the second quarter against a team that had allowed just 15 points and one touchdown in its last four games.

The Bengals' total yardage of 287 in the first half was more than the 270 the Buffalo defense had

been allowing per game, and their 146 on the ground was more than the 101 average the Bills had allowed rushing. Woods himself bettered the aver-

age with 129 yards in 26 carries, while James Brooks had 93 yards in 22 carries as the Bengals rushed for 232 yards overall.

But Buffalo, trailing 28-7, rallied to cut it the score to 28-21 early in the fourth quarter. The Bills appeared to be heading for the tying touchdown when Robb Riddick fumbled and Lewis Billups recovered at the Cincinnati 35.

From there, the Bengals moved 65 yards in 15 plays, locking up the game on Woods' two-yard touchdown run.

Jets 38, Dolphins 34: In East Rutherford, New Jersey, Ken O'Brien came off the bench to throw for two touchdowns, includ-Dan Marino.

O'Brien, who was benched two remaining.

Randall Cunningham, who comweeks ago, replaced Pat Rvan, who left late in the third quarter with a minor concussion. To that point, Ryan had thrown for a career-high

O'Brien and Ryan led the Jets to CINCINNATI - Ickey Woods a club record with 597 yards in

> Neal Anderson's 80-yard touch down run in the third quarter led Chicago over Green Bay, but the game cost the Bears the services of quarterback Mike Tomczak and defensive end Richard Dent.

Tomczak suffered a separation of his left shoulder with a minute left in the first half, and was replaced by Jim Harbaugh. Dent suffered a broken bone in his left ankle early in the second half.

Anderson had the first touchdown of the game in the first quarter, and the Bears' other scoring came on a safety with 4:22 left.

Falcons 17, Bucs 10: In Atlanta, Rookie Michael Haynes caught a 37-yard touchdown pass while slid-ing on rain-soaked turf to lift Atlanta over Tampa Bay. Haynes lost his footing at the

Tampa Bay two yard line, caught the pass from Chris Miller, and slid into the end zone to break a tie with 11:20 left in the game. Browns 17, Redskins 13: In

Washington, Earnest Byner's 27-yard touchdown run with 1:49 remaining lifted Cleveland over Washington.

Byner's score came with the Browns trailing 13-10 and facing a third-and-five situation. Blowing past a furious pass rush on a draw play, Byner broke tackles by Ravin Caldwell and Todd Bowles en

route to the end zone. Steelers 16, Chiefs 10: In Pittsburgh, Gary Anderson ended three long scoring drives with field goals. and Merril Hoge scored on a 10-yard run, as Pittsburgh beat Kansas City.

The Chiefs managed only a field goal by Nick Lowery on two fourth-quarter drives inside the Steelers' seven-yard line.

Eagles 31, Cardinals 21: In Philadelphia, Ron Johnson caught two ing the winning score to Wesley touchdown passes and set up a Walker, as New York overcame third as Philadelphia beat Phoenix third as Philadelphia beat Phoenix five touchdown passes by Miami's and held on to at least a tie for the NFC East lead with three games

> pleted 17 of 35 passes for 214 yards and two touchdowns, rallied the Eagles from a 14-7 halftime deficit to a 24-14 lead after three periods.

#### **SCOREBOARD**

#### BASKETBALL

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**College Results** 

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and the second s

Georgia Tech 97, N.C.-Asheville 63 LSU 94, Marist 58 Microl, Fla. 108, Md.-E. Shore 80

Loyola, 111, 98, Chicago 51, 74 Southwest E. New Mexico 99, E. Texas St. 81 22.75 (16.1) - 7.75 (16.1) - 7.51 W. Texas \$1. 84. Texas A&1 78
For West
Cal-Senta Barbara 71, Calorada 70 Georgelown 105, Hawali Loa 69

> Amherst 91, Worcester \$1. 55 Army 80, Monmouth, N.J. 56 Boston College 70, Harvard 54

		COMMISSION COLUMNIA					
			W	L	Pct.	GB	Duckworth 10-18 7-7 27, Drexter 10-16 4-5 24; Thorpe 4-10 8-10 16, Woodson 6-9 0-0 14, Re-
	Philadelphia		9	4	<i>.</i> 692	-	bounds: Housing 50 (Thorpe 9), Portland 48
	New York		8	4	.6 <del>6</del> 7 -		(Kersey 10). Assists: Houston 26 (Floyd 12).
	. New Jersey		7	7	_500	242	Portiond 30 (Porter 14).
	Boston .		6	7	<i>A</i> 62	3	SATURDAY'S RESULTS
	Washington		4	7	.364	4	
	Charlotte		2	10	.167	672	
		Central Divis		_			Ewing 11-20 9-10 31, Jeckson 8-19 4-4 20:
	Defreit		0	2	.B33	_	Dougherty 14-18 8-10 36, Nance 12-19 4-6 28.
ė	Cleveland		7	3	.700	2	Rebounds: Cleveland 45 (Nance, Williams 7).
•	Atlanta		7	6	.538	34	New York 44 (Oakley 15). Assists: Cleveland
	Chicago		ė	6	<i>-5</i> 00	4	30 (Price 7), New York 36 (Jockson 16).
	Milwaykee	٠	5	5	.500	4	Washington 39 26 42 22—129
	Indiana		1	11	.063	9	Charlotte 38 24 23 36—113
	WEST	ERN CONF	= 0	EM/	-6		Malone 10-20 9-11 29, King 10-17 2-3 22; Reid
		Midwest Divi			-	10-21 4-4 25, Tripucko 7-11 6-6 21. Rebounds:	
	Dallas	AND THE PARTY	~	۳3	.750	_	Washington 50 (Cattedge 13), Charlotte 42
	Ulah -		á	3	727	35	(Kempton 9). Assists: Washington 25 (King
	Denver		å	4	467	1	e), Charlotte 25 (Halton, Bogues é).
	HOuston		•	3	.au/	165	Utob 20 24 22 25— 93
	Son Antonio		2	7	364	492	Dalles 17 29 34 33—113
	Miceni		ň	6	.000	7V2	Horper 12-19 2-2 29, Aguirre 9-19 3-5 22; Mo-
	LAMBOTTI	•	u	7	1000	792	ione 10-21 5-7 25, Griffith 9-19 1-2 20. Rebounds:
		Pecific Divis	ilo	R.			Utah 53 (Majone 14), Dailas 51 (Aguirre 10).
	LA Lokers		8	3	.727		Assists: Utoh 22 (Stockion 16), Dalfas 30
	Portiond		6	5	545	2	(Aguirre, Blackman 7).
	LA. Clippers		6	6	<i>5</i> 00	21/2	Phoenix 22 21 23 27—164
	Golden State		5	6	.455	3	San Antonio 23 30 24 49—117
	Sectifie		5	å	A55	3	Robertson 13-268-12 34, G.Anderson 7-155-11
	Phoenix		ς.	7	417	31/2	10: Chembers 12.14.7-7.35 K Johnson 4-14.8-9

36 16 28 25-101 Malane 10-206-7 26, King 10-165-525; Person 11-29 2-4 24, Tisagle 8-11 5-6 21, Rebounds:

Bogues 8), Philodelphic 28 (Cheeks 8).

Wilkins 11-20 4-6 24, Malone 9-20 5-6 23, Re-bounds: Affanto 44 (Kencak 11), Dallos 53 Dallas 23 (Aguirre 5).

ierson 10-154-9 24, Cook 8-10 0-014. R San Antonio 53 (G.Anderson 9), Utoh 57 (Eo-lon 17), Assists: San Antonio 25 (Dowkins 10), 26 31 31 28-110

son 10-25 1-2 27, Berry 6-10 3-5 15, Rebounds: New Jersey 54 (Hinson 11), Loy Angeles 40 (Normon 10), Assists: New Jersey 23 (Bagley 9), Los Angeles 30 (Dolley, Garrick 6).

Cornell 57, Denison 52 Mossochusetts 84, S. Con Navy 93, Penn 91, 20T Princeton 68. Franklin & Morshall 60

South Auburn 89, Mount St. Morv's, Mrl 23 N. Corolina St. 118, Columbia 54 Penn St. 58, George Mason 54

Akron 64 Bolse St. 57 solo 57. OT Boll St 43. Mir Bowling Green 87, Slena 8 Clarian 73, Youngstown Si Dayton 69, Bucknell 68 Houston 89, lowe 5t. 82 tilinois St. 79. W. Illinois 66 Nebraska 66, Creighton 77 Northwestern 191, Chicago 45

9-15 3-5 21, Selkaly 5-14 7-11 17. Rebounds Allami 54 (Selkaly 9), Milwoukee 61 (Presse

Chicago 27 16 35 45-122 Denver 24 43 36 31-124 English 13-22 3-3 29, Davis 11-19 6-6 28; Jor-

don 19-27 11-14 52, Pippen 6-13 7-11 19. Re-bounds: Chicogo 68 (Grant 12). Desiver 44

(Schoyes 9), Assists: Chicago 25 (Vincent 8),

(Schoyes 9), Assure.

Denver 36 (Lever 10).

24 28 34 29—98

McGee 11-19 4-7 79, B.Williams 8-11 2-5 19; Thompson 10-15 2-2 22, D.Smith 6-15 3-6 15, Re-bounds: New Jersey 40 (8,Williams 9), Socro-

ments 54 (Thompson 12), Assists: New Jersey 20 (Bosley 7), Socramento 26 (K.Smith 10).

Houston 32 35 27 25—119 Gelden State 27 30 31 25—109

26 (Pressey, Sikmo 8).

National Basketball Association Standings EASTERN CONFERENCE

		. w		Pct.	GB	Duckworth 10-18 7-7 27, Drexter 10-16 4-5 24;
		•••	-	<i>6</i> 92		Thorpe 4-10 8-10 16, Woodson 6-9 0-0 14. Re-
	Philadelphia					bounds: Houston 50 (Thorpe 9), Portland 48
	New York	. 8		.667		(Kersey 10), Assists: Houston 26 (Floyd 12).
	. New Jersey	7			242	Portional 30 (Parter 14).
	Boston .	6	7		3	SATURDAY'S RESULTS
	Washington	4	7		4	Circeland 38 28 28 24—112
	Charlotte	. 2	10	.167	6V2	New York 33 32 39 32-17
		Central Divisi				Ewing 11-20 9-10 31, Jockson 8-19 4-4 20:
	Detroit					Dougherty 14-18 8-10 36, Nance 12-19 4-6 28.
	Cleveland	10		<b>.</b>	_	Rebounds: Cleveland 45 (Nance, Williams 7).
k		. 7		.700	2.	New York 44 (Oakley 15). Assists: Cleveland
	Atlanta	- 7		_538	34	
	Chicogo			.500	4	30 (Price 7), New York 36 (Jockson 16). Washington 39 26 42 22—128
	Milwaykee	. 5		.500	4	***************************************
	indiana	. 1	11	.063	9	Charlotte 38 24 23 34—113
	WEST	ERN CONFE	R PM	CE		Malone 10-20 9-11 29, King 10-17 2-3 22; Reid
		Midwest Divis				10-21 4-4 25, Tripucko 7-11 6-6 21, Rebounds:
	Dallos	9		.750	_	Washington 50 (Cattedge 13), Charlotte 42
	Ulah -	á		727	35	(Kempton 9), Assists: Washington 25 (King
	Denver			467	1	6), Charlotte 25 (Holton, Bogues 6).
	Houston			A15	145	Utob 20 24 22 25— 93
	Son Antonio	2	_	364	492	Dallas 17 29 34 33—113
	Miceral			.000	792	Horper 12-19 2-2 29, Aguirre 9-19 3-5 22; Mo-
	LAMBOTTI		7	.000	/12	lone 10-21 5-7 25, Griffith 9-19 1-2 20. Rebounds:
		Pecific Divisi	QR.			Utoh 53 (Majone 16), Dailas 51 (Aguirre 10).
	LA Lokers	8		.727		Assists: Utoh 22 (Stocklon 16), Daifos 30
	Portland	6	- 5	545	2	(Aguirre, Blackman 7).
	LA Clippers	. 6	- 6	<i>5</i> 00	21/2	Phoenix 22 21 23 27—164
	Golden State	. 5	. 6	.455	3	San Antonio 23 30 24 49—117
	Secitie	. 5		A55	3	Robertson 13-20-8-12 34, G.Anderson 7-15 5-11
	Phoenix		- 7	.417	31/2	19; Chambers 13-16 7-7 35, K_Johnson 6-14 8-9
	Socramento	· 1	9	.100	672	20. Rebounds: Phy. 47 (Chambers 9), S.A. 72
			<b>-</b>		(G.Anderson, Robertson 11). Assists; Phx. 19	
		RIDAY'S RE			(K_Johnson 12), S.A. 31 (Dowkins 11).	
	Washington		<b>22</b> 3	7 16 31	144	formingen will over 31 (Brigging 11).

Washington 53 (Contredge 15), Indiana 52 (H.Williams 14). Assists: Washington 25 (Wather 9), Indiana 25 (Skites 6). Charlotte 24 22 35 25—114 Philadelphile 33 28 24 38—123

Borkley 12-18 13-14 37, Robinson 9-17 5-9 23; 22 24 25 22— 94 32 27 32 34—15 McHole 17-13.5 6 27, Ainge 7-10 2-2 20; Brever

10-140-129, Graver 7-103-417, Cumminsts 6-221-1-17, Rebounds: Milwaukee 30 (Cumminas 6), Boston 51 (Porish 9), Assists: Milwaukee 20 25 27 22 21— 95 31 17 25 25—160 Horper 11-17 5-6 25, Blockman 5-13 10-11 20;

on 13). Assists: Atlanta 28 (Webb 8), 19 23 23 39-- 95 26 25 31 33—115 Bailey 12-18 6-6:30, Malone 8-23 9-13 25; G.An-

Gilliam 11-16 7-8 29. Chambers 7-22 13-15 28; Gilliom 11-16-76-27, Chartoons 7-22-16-13 Ellis 16-25-7-9-26, McDomiel 8-22-2-2-18, Re-bounds: Sectitle 53 (Lister 9), Phoenix 59 (Gil-liom 14), Assists: Sectitle 24 (McMillon,

Philodelphia 25 31 31 35—122
Gminski 9-16 5-5 22, Anderson 8-17 6-7 22;
AMIRE 8-105-522, Tiscate 7-177-921. Rebounds: Indiana 36 (Smits 15), Philodelphia 49 (Barkley 14), Asskits: Indiana 24 (Miller 6), Philodelphia 29 (Cheeks 15).
Boston 29 26 17 18— 11 Alanta 22 17 29 26—184
Wilkins 16-26 6-5 28, Bartile 6-11 6-6 18; Parish 8-13-4-0 20, McHafe 7-15-6 19. Rebounds: Boston 51 (McHale 11), Allanta 59 (Malana 19).
Asskits: Boston 24 (Johnson 9), Allanta 26 (Webb 10). 19 22 28 24— 93

Wichite St. 98. Cent. Alichigan 71

Stetson 77, Houston Baptist 71 Texas-Ei Paso 109, Fort Lewis Far West Colorado S1, 70, N. Colorado 50 Georgetown 95. Howall Pocific S5 James Medison 85, BYU-Howali 76 SW Missouri St. 53, Wyoming : San Diego St. 74, Delaware 61 Southern Cal 71, Howard U. 49 U.S. International 82. Air Force 78

TOURNAMENTS . Third Place: North Caroling 106, indiano 92 Central Fidelity Holiday Classic First Round Alabama 84, Arizona 51, 83, 07

Richmond 56, Boylor 38 Champlosship: Alabama 54, Richmond 49 Place: Arizona St. 89, Baylar 73 Coors Light Classic

26 19 26 23— 94 28 22 30 31—[1] , Third Place: Fresna \$1.74. Pan American 52 Duckworth 10-18 7-7 27, Drexter 10-16 4-5 24; Fiest Classic First Royal Providence 102. Niggara as South Alabama 70. Fairfield 50

Thorpe 4-10 8-10 14, Woodson 6-9 0-0 14, Re-bounds: Houston 50 (Thorpe 9), Portland 48 (Kersey 10), Assists: Houston 26 (Floyd 12), Portland 30 (Parter 14), SATURDAY'S RESULTS 38 28 28 24—112 33 32 38 33—177 Third Piace: Nigagra 74, Fairfield 64 New York
Ewing 11-20 9-10 21, Jeckson 8-17 4-4 20;
Dougherty 14-18 8-10 36, Names 12-19 4-6 28.
Rebounds: Cleveland 45 (Names, Williams 7),
New York 44 (Oakley 15). Assists: Cleveland
30 (Price 7), New York 36 (Jockson 16).
Washington
39 25 42 22—128
Charlotte
38 32 32 32-113
Additions 10-20 9-11 29, King 10-17 3-27; Reid Georgia St. 189, Cal-Irvine 84 Maryland 74, Texas Christian 67 Championship: Maryland 69, Georgia Third Place: Cal-Irvine 83, TCU 75

Great Alaska Shootout Great Autosia San First Round Collifornia 73. Floricks 58 Konsos 94. Alaska-Ancharat Kentucky 56. Iona 54 Seton Hail 86. Unba 68 Fiorido &3. Alosko-Anchoroge 72

Seton Holl 63, Kentucky 60 ali Tla-Off Inland Northwei Gonzago 64, Washington St. 63 Idaho 77. E. Washington 54

(K.Johnson 12), S.A. 31 (Dowkins 11).
L.A. Lotters 27 22 28 22— 79
Detroil 28 26 29 19—102
Dumors 8-17 4-4 20, Thomas 7-19 4-5 18; Scott
8-18 4-4 20, E.Johnson 8-18 3-3 19, Rebounds:
L.A. Lokers 99 (Green 14) Detroil 49 (Mohern
11). Assists: L.A. Lokers 19 (E.Johnson 8).
Detroit 25 (Thomas 10).
Micmi 17 20 27 29—23
Milwaukee 27 27 29 22—103
Grover 5-11 8-9 18, Brauer 7-11 2-2 16; Toylor
9-15 3-5 21, Seikoly 5-14 7-11 17. Rebounds: Investors Classic Marquette 68, Kent St. 64 Virginia 99, Dartmouth 73 Champiosphip: Virginia 88, Marquette & Third Place: Dartmouth 88, Kent St. 86 Lapchick Memorial First Roads

Brigham Young 87, Northeastern 78 St. Jaha's 71, Long Island U. 55 Matri Classic

Memphis St. 88, Chaminade Michigan 91, Vanderbilt 66 Nev. Los Vegas 86, DePaul 77 Oklohoma 97, Onio St. 93 Second Round Michigan 79, Memphis St. 75 Otilo St. 72, DePoul 70 Oklohoma 83, Nev.-Los Vegas 81 Vanderbjit 94, Chaminada 70 New Mexico Presessor First Round New Maxico 96, Layela, Md. 71 Son Diego && Lehigh 58

Gelden State 27 33 31 22—107
Woodson 7-16 5-6 21, B\_Ichnson 7-9 4-5 18, Okoluwon 7-16 4-7 18; Audilin 8-15 2-2 19, Richmond 5-16 5-6 15, Rebounds: Hou. 39 (Olciuwon 15), G.S. 71 (LSmith 13). Assists: Hou. 28 (Floyd 8), G.S. 23 (Gorland 6).
Iodiana 32 21 31 38—114 28 11 133—124 S. Corolina St. 72, Puerto Rico Nationals 6 S. Illinois 62, Toledo 51 Villanova 85, American Coll. P.R. 60 ladiona Philodeiphla Puerlo Rico Nationals 91, SW Texas 51. B S Corolina St. A7. Davidson 44 S. Illinois 102, Villenovo 81 Toledo 89, American Coll., P.R. 59

Arizono 88. Marchino (il 82 Lone Beach St. 112, Albietes In Action o Oral Roberts 109, Solrit Express 96 Soviet National 95, Old Committe 86 Litch St. 86. Athletes In Action 84

#### HOCKEY **NHL Standings**

Turgean (11), Andreychuk (11), Creighton (6), Tucker (7), Hausley (9); Larmer 2 (14), Saniposs (1), Wilson (7), Shatson gook: Chico-go (an Cloutler) 15-8-41—28; Buffalo (an Gollant (10), Hiosins (4), Yzerman (22), Nil (3), Kilmo (2), Barr (8); Neurield (3), McBain (14), Hower thuk (10). Shots on goal: Winni-peg (on Sefan) 6-12-18—28; Defroit (on Chev-rier) 7-8-3—19.

MocLetion (4), Breten (4), Bellows 3 (9):
Leeman (9), Okcyk (13), Yoremchuk (1).
Shets an seal Toronto (on Cosey) 6-12-8-26;
Minnesota (on Wreger) 15-14-4-3.
Pittsburgh 3 1 1-5
Washloetan 1 1 1-3 Lemieux (23), Quinn (12), Brown 3 (21): Leach (3), Courtnall (14), Ridley (11). Shots on goal: Pittsburgh (on Malarchuk) 6-6-4—16:

14—37.

New Jersey 0 1 1 6—2

Voncouver 1 0 1 8—2

Adams (11), Tonil (8); Sundatrom (9), Mo
cleon (8). Stots on goal: New Jersey (on

Weeks) 4-16-13-1—34; Voncouver (on Burke)

11-11-7-2—31. SATURDAY'S RESULTS Bourque (7), Hawgood (1), Neely (9), Joyce 2 (8), Linseman 2 (7), Burridge (7); Manson 2 (7). Shots on good: Chicogo (on Lemelin) 9-8

N.Y. Islanders

Dahlen (11), Mullen 2 (10), Sandstram (7),
Granoto 2 (17); Volek (7), Wood (3), Berg (1),
Gitbert (3), Shots on goal: N.Y. Rangers (on
Hrudey) 5-8-13—26; N.Y. Islanders (on
Froese) 14-9-4—27.
Philadelphia 6 2 1—3
Pittsbereh 1 7 2—4 Cunneyworth (11), Quinn (13), Bourque (7), Slavens (1); Tocchet (11), Mellamby (12), Carkner (4), Shets on seel; Philadelphia (on

Quebec 2 6 5-2 Francis (6), Evason (2), Ferancis 2 (10); Goulet (7), Brown (8), Shots an goal: Hartford (on Goaselin) 8-8-10-26; Quebec (on Sidorklewicz) 15-16-6-39. Fraser (4), Ciccarelli (13), Hobscheld 2 (3). Giles (1), McRoe (6); Leemon (10), Olczyk (14), Veetch (2). Shots on goal: Minnesota (on Bester) 12-17-12—(1: Toronto (on Takko) 9-7-

Los Angeles

Calgary
Nieuwendyk (14), Mullen 2 (16), Gilmour
(16), Gilmour
(16), Shets on goal: Las Angeles
(on Vernan) 12-16-7---29; Calgary (an Heoly)
5-14-13---32. Lumme (1), McPhee (8), Corbonneau 2 (8), aslund 3 (11); Muni (2), Carson (15), Anderson (9), Simpson (12), Joseph (2), Shots on good: Edmonton (on Roy) 8-13-11—32; Mon-Winning 1 1 8 8-4
St. Losis 2 1 1 9-4
Meopher (8), McKegney (7), Buildry (4),

Federko (a): McBoin (15), Jones (2), Ellett

**SOCCER** ITALIAN FIRST DIVISION

> Nopoli 4, Milan 1 Nopoli 4, Milan I Romo 1, Torino 3 Verona 0. Como 0 Points: Inter Allian 13; Napoli, Sampdorio 11: Juventus 9: Allian Florentina, Atalanta. Lazio 8: Rome, Pescara 7; Verona, Como. Torino 6; Lecce 5; Pisa 4; Ascoti, Ceseno Bologno 1

SPANISH FIRST DIVISION Real Madrid 3, Athletic Billian 3 Real Sociedad 1, Atlelian Madrid 2 Borcetono J. Murcia 1 Betis 1, Seville 3 Valencia I, Español 1 ilid O. Cella 1 Guen 1. Codiz 0

Points: Real Madrid 39; Barcelong 19; Sevilla 16; Atletico Madrid, Gilon, Cetta, Valencia, Osasuno 14; Logranes 13; Valladolid, Athletic Osasuno 14; Logranes 13; Valladolid, Athletic Bilboo, Zarogoza 11; Malago, Real Sociedad Oviedo 16; Cadiz 9; Español, Murcia 8; Betis

WEST GERMAN FIRST DIVISION Bayern Munich 1. Nuremberg 0

Books in Code Mand & Flatrocks Econhard & Barussia Dorimind & Etatrachi Frankfurl & Barussia Minchensiadobach 2, Siutipant 2 Polats: Bavern Munich 25; Werder Bre-men, Cologne, Hambers, Siutipant 20; Karis-ruhe, Barussia Mönchensiadobach 18; Baver Uerdingen, Baver Leverkusen, 5t. Pouli 17; Barussia Dorimund, Bochum 15; Kaisersiau-

FOOTBALL College Results

Auburn 15. Alabama 10 (Friday) Florida St. SZ. Florida 17 Furman ?1, Delaware 7 Georgia 24. Georgia Tech 3 LSU 44, Tulone 14 Marshall 7, North Texas 0

Ceni. St. Ohio 24, Co W. Kentucky 35. W. Hilmois 32 SOUTHWEST Houston 45, Rice 14 Tuiso 32. Colorado St. 28 Idoho 38, Monit

New-Las Vegas 42, Long Beach St. 41

Marshall /. North Tempo 5 Miami, Fla. 18. Arkansas 16 Mississippi St. 6

GHING World Cup

> MEN'S SUPER GIANT SLALOM (At Schiedming, Austria)
> 1. Pirmin Zurbriosen, Switzerland, 1:31.65 2. Franci Piccard, France, 1:31.77 3. Leonard Stock, Austria, 1:32.15 4. Alberto Tombo, Ilaly, 1:32.31

1:3248
A. Hubort Strotz, Austrie, 1:3284
7. Loc Alphond, France, 1:3295
B. Helmut Hollehmer, Austrie, 1:33,00
9. Marc Girodelli, Luxemburg, 1:33,12
18. Hans Enn. Austrie, 1:33,38 WOMEN'S SUPER GLANT SLALOM (At Schie (At Schladwing)

1. Carole Merle. France, 1 minute, 25.36 seconds.
2. Ulrike Maler, Austrie, 1:26.01,
3. Anita Wochter, Austrie, ona Registeriechner, West Germany, 1:26.26,
5. Signid Wolf, Austrie, 1:26.28.

1:26.36.
7. Michela Figini, Switzerland, 1:26.79.
8. Michaele Gers, West Germany, 1:26.91.
9. Vreni Schneider, Switzerland, 1:26.94.
10. petra Kronberser, Austria, 1:26.96. , Hawarchuk (12), Shalt on goal; Winniped Riendeout 14-14-41—33; St. Louis (on ddick) 9-5-12-5—31.

ENGLISH FIRST DIVISION Newcastle 0, Manchester United 0: Chariton 0, Nattingham Forest 1 Coventry 2, Asian Villa 1

Southgrapton 2, Millwall 2 Tottenham 2, Queens Park 2 West Hom 0, Everton 1 Palats: Norwich 29; Arsenal 26; Milly 24; Liverpool, Coventry, South Oorby 22: Nottingham Forest 20: Evertan, Sheffield Wednesday 19: Middlesbrough, Monchester United 18; Queens Pork, Asto Villa 15; Lutan, Chariton 14; Tattenham 13 Wimbledon 10; West Ham, Newcastle 9. FRENCK FIRST DIVISION

Morsellie 1, Lille 1 degur 6. Paris-Saini Germain 1 Laval 0, Auxerre 1 Strasbourg 0, St. Etienne 1 Nantes 3, Caen 1 Matra Racing 0, Sochau 2 Connes 3, Monoco 2 Lens 1, Toulouse 1 Nice 3, Montpellier

42; Marsellle, Nantes 35: Sochoux 34: Mono co, Lille, Nice 31; Monipellier, Toulous Connes 29: Bordeoux 28: Metz 27: Taulon 23

#### TRANSITION ...

BASKETBALL

National Basketball Association
LEAGUE—Fined Steve Johnson, Portlan
torward-center, \$2,500 for flighting; Xavia
McDaniel, Seattle forward, \$2,500 for failure leave the court in a timely toshion after being leave the cours in a timety aratical disease elected and for inflammatory actions, and Michael Cape. Seattle torward, \$1,000 for pushing in a game Nov. 22.

PHOENIX—Placed Kenny Gottlson, forward, on the league's suspended list. Activated Winston Crite, forward, from intured re-

FOOTBALL National Football League
CINCINNATI—Activated Curtis Masey.

CINCINNATI—Activated Curis material defensive end, and Carl Parker, wide receiver, from injured reserve. Placed Eddle Edwards, defensive end, and Rich Romer, linebacker, on injured reserve.

GREEN BAY—Activated Scott Botton, wide roceiver, from injured reserve. Waived Ron Simpkins. Inspecter.

LA RAMS—activated Jim Collins, linetrace, and it is naturally very good bocker, from injured reserve. Placed Mel Owto be in front. ns, linebocker, on injured reserve. TAMPA BAY—Activated Mark Robinson defensive bock, from injured reserve. Waived Selwyn Brown, defensive back. WASHINGTON—Placed Brian Davis, car-nerback, on injured reserve. Signed Ron Mid-

HOCKEY National Hockey League LEAGUE—Suspended Craig Ludwig, Mon-treal defensemen, five games for baving drawn a major penalty in a game Nov. 19 ogninst Chicopo. CHICAGO—Troded Marc Bergevin and Gary Nylund, defensemen, to the N.Y. Island-ers for Bob Bassen, center, and Sleve Kanovd, detensemen.

LOS ANGELES—Traded Paul Fenton, lett

ted John Ogred-

ving, to Winnipeg for Gille N.Y. RANGERS—Recoi

COLLEGE COLLEGE

ELON—Announced the resignation of 
Macky Carden, lootball coach, and Steve Bailard, soccer coach.

KANSAS—Named Janelle Martin administrative assistant and compliance auditor. PACIFIC—Announced that the contract of Bob Cope, football coach, will not be renewed. ST. FRANCIS (PA)-Nomed Roger Fessier director of othletics.
WASHINGTON—Fired Dan Dorazia, foot-

nick, left wing, from Denver of the Interno-

TENNIS.

pall aftensive line coach.

MEN'S TOURNAMENT (Al Brussels) Quarterfinals

John Filizgerald, Australia (4), def. Éric Jelen. Wesl Germany, 6-1, 3-6, 6-0. Patrick Kuhnen, West Germany, def. Eric Wingerodsky, France, 6-4, 6-2. Henri Leconie, France (1), del. Wally Masur, Australia, 4-a, 6-1, 6-3.

Jakob Hiosek, Switzerland (2), def. Tom

Higsek det. Kuhnen, 7-6 (7-3), 3-0 (retired).

# Zurbriggen and Merle Take Ski Cup Openers

SCHLADMING, Austria — Pirmin Zurbriggen of Switzerland put on a classic display of his extraordinary talent to win the first men's event of the World Cup ski season, a supergiant slalom, here Sunday. On Saturday, Carole Merle of France, starting from 25th place,

supergiant also held on the Planai Zurbriggen put all his talents to the test as he flew down the 2,020meter (6.627-foot) run in 1 minute

#### WORLD CUP SKIING

and 31.65 seconds, 12-hundredths of a second better than Frenchman Franck Piccard. Downhill specialist Leonard Stock of Austria took third place. The course dropped 543 meters; the track had 44 gates. Close on the heels of the top

three was Italian Alberto Tomba, season. Tomba's fourth place was his best ever result in supergiant cup title. "I was looking either for a third or a fourth place," Tomba said. "So I am satisfied."

Cup victory, second best on the alltime list (Sweden's Ingemar Stenmark has 85). "It was rather a difficult race. I made a couple of small mistakes," said Zurbriggen, per-mitting himself a rare smile. "One of West Germany and Austrian is very skeptical at the beginning of the season, so I'm satisfied with my to be in front."

faster."

Germany seemed headed for top



of a sun-warmed slope and rocketa discipline he has vowed to work ed down the course in 1:25.36, on this year in a bid for the overall nearly half a second faster than her

"I had a super race, and I didn't really realize that I had won. I didn't It was Zurbriggen's 32d World have the feeling during the race that I was going so fast," she said. "I am very happy. I have never placed better than 13th before in a super G." Austrian Ulrike Meier (1:26.01)

Anita Wachter tied for third with 1:26.26 clockings. The day's biggest surprise was the poor showing by the normally domi-Said Piccard, the Olympic super-giant gold medalist: "I would have preferred a win. I was at the limit seventh place and Vreni Schneider, all the time. I couldn't have gone the Olympic gold medalist in the giant slalom and the slalom, was On Saturday, Austria and West ninth. Maria Walliser, the downhill specialist who was reported to be in



Final
Leconte def. Hissek, 7-6 (7-3), 7-6 (8-6), 6-4.
Pirmin Zurbriggen, winning Sunday's race in Schladming, Austria.

# Steadman's View From Above

International Herald Tribune

ONDON — In 1961, fortified by a check for £5 from "Private Eye," Ralph Steadman hurtled into a career as Britain's most outrageous and outraged political cartoonist. In 1969, his drawing became even stronger, and his be-havior more erratic, when he began to collude with Dr. Hunter S. Thompson, the hyperventilating American journalist who soothed his fear and loathing with pills and booze and sprayed those who displeased him with Mace.

Like many cartoonists Steadman went on to write and illnstrate his own books but, perhans because of his explosive eye and

#### MARY BLUME

native Welsh oracular style, his books were not modest giggly affairs. The first was about Freud, with whom Steadman strongly identifies and whose jokes he

"Some of them are quite funny, like a wife is like an umbrella. sooner or later you take a taxi," Steadman quotes, roaring with laughter. He is a burly, amiable figure who wears a wide-brimmed black velvet hat with a feather band and rolls his own cigarettes.

His next book was "I, Leonar-do," a sort of Steadman-ghosted autobiography of Leonardo da Vinci (Steadman's version of "The Last Supper" still hangs in his guest bedroom, causing many a sleepless night).

Now Steadman has taken the final hubristic leap and written what might be called an autobiography of God, entitled "The Big I

"It is really a nonpartisan thunderbolt from above," Steadman says. "It's not taking sides at all, it's looking down on mankind."

The book, narrated by both Steadman and God, begins before the Creation and ends in the 20th century with God fading away into sleep. "He is leaving us to our own destructive devices," Steadman writes. "It's what we have wanted all along. Isn't that right?"

Steadman in his drawings ren-ders the empyrean a treat and does not quail before showing Earth's festering creatures over the ages. After reading up on monotheism and polytheism, he settled for his own theology. "I try to create a believable legend, that's all. I thought if I rely on my own intuition I'll get much further than if I look at other possible

bit from each."

In his interpretation, God is a

widowed single parent whose wife, after giving birth to the other planets, all stillborn, herself died when about to give birth to Earth. God swallows the Earth, then regurgitates it and spends the next centuries looking on His creation with hafflement and alarm. God is nebulous and lonely and, in Steadman's words, He doesn't have a clue.

"I think He's like the rest of us when we lift up a stone and find a lot of insects underneath and watch (ascinated by whatever they're doing. They're like ants, always moving, they always seem to have a purpose and what their purpose is God only knows and He doesn't know much either." One might wonder what is the

point of a gormless Deity. "Just to help me create a story, really. It's no good just writing a book about nothing, is it?" Steadman says. His drawings for "The Big I Am" are currently on view in London at the October Gallery, a disused Methodist church with the words "Watch and Pray" carved over the fireplace. Steadman rolls

another cigarette and gazes at the too-quiet and too-respectful visi-

interpretations and maybe take a tors who do not seem to be buying the prints that are on sale (he is keeping the original drawings for his children).

"The book needs an archbishop to say something terrible about it," he tells his publisher's representative. "We ought to have a tame archbishop in tow.

The book had its genesis three years ago when Steadman suf-fered a frightful hemorrhage of the esophagus after a lady friend punched him in the stomach. This gave him the idea of God regurgi-tating the Earth. "It's vagnely autobiographical, that part," he

Just as he wrote his book on Freud to combat his paranois in general and his fear of thunder. dogs and horses in particular, "The Big I Am" exorcised his fear of choking again and dying.

"Cavemen used to draw lines around their worst lears, which might have been animals they were going out to hunt, to exorcise that fear and give it a certain form they could somehow exercise power over. That's what I do with drawing. I did that with Richard Nixon.

Steadman has left behind Nixon and the other politicians he once drew. "I have stopped drawpolitical figures because I k every cartoonist in the world should do that - stop personifying them, stop giving them the benefit of our wit, our skills, the definess and whatnot. If we ignore them, I can't see any sharper weapon to deflate them. They would start to say why haven't I been portrayed recently, nobody's of a ditherer like Hamlet he has

drawn me. "You've got to worry your encmy a little, you've got to make him doubt. The more viciously I used to draw them, the more important they would feel."

adman has illustrated texts from Daisy Ashford to "King Lear" and his Steam Press publishes poetry, including his own. The one thing that gives him peace of mind, he says, is writing a damn good poem. If he has abandoned olitical cartoons, he has not giv-

paper, but to me a cartoon encompasses all the great artists - I mean Daumier and Goya and might take offense at "The Big I Rembrandt and Leonardo da Vinci, in this century particularly Piwill.

INTERNATIONAL



Ralph Steadman in front of his reinterpretation of Leonardo.

casso, who is a wonderful cartoonist painter. I mean when he wishes to be expressive he uses the cartoon form. He takes a line for a walk. Panl Klee said that."

Steadman thinks all good painters are at least closet cartoonists: They are Hamlets wanting to play clowns." The reverse might be said of Steadman, but instead assumed the personas of Frend, Leonardo and, now, God.

"You think it's a bit tendentions of me to go for the big subject? The only way I found I could go for the awe-inspiring subjects is to identify with them, try to imag-ine what it would be like to be like them. Not to pit yourself against them but to join them.

"I find the grand gesture is sometimes the way to begin - as if you knew what you're doing even if you don't. I'm never in en up cartooning.

"People think a cartoon is something that appears in a news-had in mind."

complete control of anything and I'm never quite achieving what I something that appears in a news-had in mind."

A whole range of believers from Anabaptists to Zoroastrians

REAL ESTATE

TO RENT/SHARE

"I would love some unset some where, some good, gutsy upset," he says. No one in the gallery has flinched and there has been no sign of an angry archbishop im-paling the drawings on his crosser.

"I can't take indifference after all this. I mean I don't think anybody yet has had such a brave mpt at it. I'm not trying to blow my own trumpet except I am at this point, just to say I've had a damn good stab at something. It makes a legend in a way it hasn't been made before, I didn't just say I'll reinterpet John Milton's 'Para-dise Lost.'"

The viewers in the gallery are quiet and couth but a waiting phoographer is getting tetchy. He laces Steadman next to the drawing of the newly created Earth, a crabby, roiling baby face sur-rounded by flames of what might equally be creation or destruction.

Can you grimace? the photographer asks. Easily, says Stead-man, putting on his wide black velvet hat and pulling faces and uttering howls as terrible as must have been heard when God, or adman, created Earth.

#### LANGUAGE

## The Feeling Is Mutual

WASHING LOW OF THE MEANing of a good word when he titled a novel "Our Mutual Friend."

Strictly speaking, matual — rooted in the Latin for "exchange" implies reciprocity, as when two people feel the same way about each other. But when the intended meaning involves no reciprocity, and instead refers only to a feeling or relationship shared about a third party, purists insist on common rooted in the Latin communis, in its sense of "shared."

"Our mutual friend Jones (meaning Jones who is your friend as well as mine)," wrote Henry Fowler in his Modern English Usage, "and all similar phrases, are misuses of mu-tual." That usagist grumbled at the examples of looseness cited in the Oxford English Dictionary and added that Dickens's use of mutual betrays ignorance of its meaning.

susers include some big names. In his "Essay Towards Facilitating Instruction in the Anglo-Saxon and Modern Dialects of the English Language." Thomas Jeffer-son correctly denounced "mutual vituperations" but incorrectly urged Britain and the United States to "yoke ourselves jointly to the same car of mutual happiness." He meant "common happiness," just as he went on to write of "common efforts."

Mutual admiration society was an 1851 coinage by Henry David Thoreau and uses the word correctly: the admiration goes back and forth. But what about mutual interest, meaning "shared concern" or, less compassionately, "partner-ship"? Should we permit that?

Let's not. Because the sharing involves no back-and-forth, no titfor-tat, call it a common interest. To preserve a clear distinction in meaning, let's stick with the purists, for a change. Give clarity a shot. Don't use mutual, meaning "re-

ciprocal," when you mean common, meaning "shared." And mutual always requires two; if you're alone. you can take reciprocal action, but not mutual action.

Some have come to the defense of Dickens. Wilson Follett's Modern American Usage, for example, points out that it was "not Dickens" fault — he was quoting a semiliter-ate one-legged man," while conced-ing that "Dickens's title has clamped down the error of one of his low-life characters upon the En-

By William Safire glish-speaking world and it will probably not be shaken off."

Do you suppose Dickens felt guilty about this? More than one of his admirers assumes so. "In the event that you should ever treat the use and misuse of that difficult word mutual," writes the novelist Louis Auchincloss, "I have just happened upon the Mea Culpa of the great novelist whose title has done so much to perpetuate the confusion."

In his unfortunately titled novel, "Our Mutual Friend," Dickens used the right word for a shared feeling: "He thanks Veneering for the feeling manner in which he referred to their common friend Fledgeby."

Remember Fledgeby, Dickens fans: writers and readers should have mutual respect, trusting each other to know that Fledgeby's our common friend.

1 HE minute you get elected, you think you can rewrite Lincoln.

In his Second Annual Message to Congress, President Lincoln wrote: "We shall nobly save, or meanly lose, the last best, hope of This was not some ad-lib taken down by a reporter, subject to error in transmission; this was a written message between branches of government, set in type, immutable, the way Lincoln wanted it. (Controversy exists about the consuma after best. The comma belongs between the two adjectives last and best, and not after the best; however, it is not for us, the living to switch the commas.)

One of Jimmy Carter's speechwriters, who knew the accurate wording, changed of to on because he believed that of earth jarred, and that most listeners would think the correct Lincoln version a mismotation. So the Carter version of the Lincoln quotation was "the last best hope on earth." Ronald Reagan evidently did not like the idea of the Earth doing the hoping. On innumerable occasions, he edited Lincoln's line to read "the last best hope *of man* on earth."

Along comes George Bush. On his election eve telecast, he called up the ghost of Lincoln and referred to America as "the last great hope of man on earth." Lincoln's best was not good enough; now the hope, with Reagan's of man added, has been elevated to great.

New York Times Service

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